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NORTHEAST ASIA

Japan

U.S. Criticism of Bureaucrats Termed 'Improper' *[KYODO]* 1
U.S. Drops Threat of Sanctions on Construction 1
  Tokyo Welcomes Decision *[KYODO]* 1
  Takemura Praises 'Quick' Reaction *[KYODO]* 1
U.S. Insurance Demands Called 'Lopsided' *[KYODO]* 2
Industry Leader Views Call To Settle Auto Talks *[KYODO]* 2
Official Denies Kantor To Visit *[KYODO]* 2
Fujii, Bentsen Meeting Said Likely *[KYODO]* 2
Clinton Remarks on U.S. Trade Woes Reported *[KYODO]* 2
Toyota To Increase U.S. Production *[KYODO]* 3
Defense Chief Urges Readiness for Korean War *[KYODO]* 3
Trading Firm Implicated in DPRK Sub Sales *[KYODO]* 3
Political Reform Bills Approach Diet Vote 4
  Panel Approves Package *[KYODO]* 4
  Further on Panel Decison *[KYODO]* 4
  Hosokawa Ready To Talk to LDP *[KYODO]* 5
  SDPJ Members Urged Not To Defect *[KYODO]* 5
  Passage Hurdles Viewed *[KYODO]* 6
  Vote Outcome 'Uncertain' *[KYODO]* 7
Upper House Kills Political Reform Package *[KYODO]* 7
Reaction to Rejection of Political Reform Bills 7
  Hosokawa To Pursue Passage *[KYODO]* 7
  SDPJ Respnsibility Called 'Grave' *[KYODO]* 8
  Business Leaders Regret Vote *[KYODO]* 8
  Political Implications Noted *[KYODO]* 8
  Hosokawa Hosts News Conference *[Tokyo TV]* 9
USDP Dissolving, Members Join Other Parties *[KYODO]* 11
Task Force Established on Reform, Deregulation *[KYODO]* 11
Trade Surplus Hits Record in 1993 *[KYODO]* 11
Consumption Tax May Reappear as 'Welfare Tax' *[KYODO]* 12
Postal Ministry Considers Further Rate Increase *[KYODO]* 12
Chamber of Commerce Head Urges Income Tax Cut *[KYODO]* 13
EPA Says Industrial Production Still Sluggish *[KYODO]* 13
Regional Banks See 'Bleak Outlook' for Economy *[KYODO]* 13
Keidanren Head Urges Effective Economic Stimulus *[KYODO]* 14
Hosokawa Calls Stable Employment 'Top Priority' *[KYODO]* 14
NTT To Enter U.S. Telecommunications Market *[KYODO]* 14
Cable System Favored for Broadcasting Service *[KYODO]* 14
Sanyo To Boost Output of Optical Pickups *[KYODO]* 15

North Korea

Foreign Ministry Views IAEA Negotiations *[KCNA]* 15
Death of South's Reverend Mun Ik-hwan Reported *[KCNA]* 15
  Request To Send Mourners Noted *[KCNA]* 16
  Decision To Bar Mourners Decried *[KCNA]* 17
  Condolences Sent to Mun's Family *[KCNA]* 17

Smear Campaign of North by South, Japan Alleged *[Pyongyang Radio]* 17
    Paek Han-ki Makes Statement *[KCNA]* 18
South's Positioning of Gun Inside DMZ Alleged *[Pyongyang Radio]* 19
North's Pomminnyon Supports Overseas Proposal *[KCNA]* 19
Cultivation of Reclaimed Tideland Reported *[KCNA]* 19
'Serious Crisis' of 'Imperialists' Described *[KCNA]* 20
"Talk" Urges Self-Reliance, 'Fortitude' *[Pyongyang Radio]* 20

South Korea

U.S. Reportedly To Sell Defective F-16 System *[TONG-A ILBO 20 Jan]* 22
No IAEA Team Unless DPRK Opens Seven Sites *[YONHAP]* 22
Diplomats Comment on DPRK 'Nuclear Card' *[YONHAP]* 23
North Asks To Send Condolence Team for Mun *[Seoul Radio]* 23
    DPRK Group Not Allowed at Bier *[Seoul Radio]* 23
DP Supports Businessmen's Visit to DPRK *[HANGUK ILBO 14 Jan]* 23
Status of DPRK's Kim Yong-sun Reviewed *[CHOSON ILBO 14 Jan]* 24
Kim Shows 'Desire' To Improve North Relations *[YONHAP]* 24
Defense Ministry Plans 'Future-Oriented' Policy *[YONHAP]* 25
NUB Minister Reports on Unification Policy *[YONHAP]* 26
Ministries Discuss 1994 Antiespionage Operations *[YONHAP]* 26
DPRK's Possible Improved Ties With West Viewed *[YONHAP]* 26
Russia Intelligence Chief's 'Secret' Seoul Visit *[YONHAP]* 27
Russian Assurance on DPRK-Bound Submarines *[Seoul Radio]* 27
    Questions Asked on Submarine Sale *[YONHAP]* 27
Russia Requests Repaying Loan With Weapons *[YONHAP]* 28
Russia Reportedly Proposes Weapons Development *[CHOSON ILBO 21 Jan]* 28
DPRK's Kim Chong-u Postpones PRC Visit *[CHOSON ILBO 20 Jan]* 29
Amount of PRC Military Aid to DPRK Reported *[SEOUL SINMUN 21 Jan]* 29
DPRK Delegation Reportedly Visits PRC SEZ *[YONHAP]* 29
Kim Yong-sam Said Scheduled To Visit China *[YONHAP]* 29
New Taiwan Mission Chief Interviewed on Arrival *[SEOUL SINMUN 21 Jan]* 29
German Chamber of Commerce Head on Investment *[TONG-A ILBO 14 Jan]* 30
Presidential Secretaries' Reshuffle Announced *[YONHAP]* 30
Minister Han Briefs President on Foreign Policy *[YONHAP]* 31
Car Exports to North America Drop Sharply *[THE KOREA HERALD 21 Jan]* 31
Top 30 Business Groups Select Prime Companies *[THE KOREA TIMES 19 Jan]* 32

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Editorial Seeks Fair Fight in Bosnia *[NEW STRAITS TIMES 17 Jan]* 35
Mahathir Criticizes UN on Bosnian Muslims *[BERNAMA]* 35
Central Bank Reports Increase in Reserves *[NEW STRAITS TIMES 17 Jan]* 36
Former Sabah Official, ISA Detainee Released 36
    Unconditional Release *[NEW STRAITS TIMES 20 Jan]* 36
    Minister Fined After Guilty Verdict *[BERNAMA]* 36
    Mahathir Not To Appoint New Minister *[Kuala Lumpur Radio]* 37
Commentary Views Prospects for Indonesian Ties *[Kuala Lumpur Radio]* 37
Indonesian Helicopter, Training for Bruneians *[NEW STRAITS TIMES 20 Jan]* 37
Air Force Receives First British Jet *[NEW STRAITS TIMES 20 Jan]* 38
Pact on Telecommunications Signed With France *[BERNAMA]* 38
UNOSOM II Peacekeepers Leave for Mogadishu *[NEW STRAITS TIMES 19 Jan]* 39
Palm Oil Sale Credit Signed With Burma *[Kuala Lumpur Radio]* 39

Singapore

Minister: Need for More Malaysia Contacts *[THE SUNDAY TIMES 16 Jan]* 39
Brunei Navy Commander Meets Defense Officials *[Singapore Radio]* 40

Cambodia

- Thai Group, Regime Targeted in Demonstrations *[AFP]* 40
- Sirivut Comments on Diplomacy, Business *[Phnom Penh Radio]* 40
- Ranariddh, Hun Sen See PRC President Jiang *[AKP]* 41
- Report on Route 68 Operations, Pol Saroeun *[Radio VGNUFC]* 41
- Khmer Rouge: Offensive in Kampot Province Routed *[Radio VGNUFC]* 41
- Khmer Rouge: U.S. Finances Psychological Warfare *[Radio VGNUFC]* 42

Indonesia

- National Firm Uses Iran as Export Gateway *[KOMPAS 11 Jan]* 42
- ABRI Chief on Sociopolitical Role *[ANTARA]* 42
- Armed Forces Spokesman Announces Transfers *[ANTARA]* 42
- Minister Signs Trade Accord with Egyptian *[Jakarta Radio]* 43
- State Oil Company Offers Fields for Exploration *[ANTARA]* 43

Laos

- Khamtai Speech on Army Day Thanks SRV *[Vientiane Radio]* 43
- Castro Sends Condolences for Phoumi Death *[Vientiane Radio]* 45

Philippines

- Talks With NDF Groups, ABB Threats Reported 45
  - Government May Meet 'Revisionists' *[MALAYA 18 Jan]* 45
  - Talks With Anti-Sison Factions *[MALAYA 15 Jan]* 45
  - ABB Threats Not To Affect Talks *[MANILA STANDARD 18 Jan]* 46
- Ramos Amnesties Rebels, Responds to ABB Threat *[MANILA BULLETIN 18 Jan]* 46
- Military Rebels Losing Confidence in Peace Talks *[MANILA STANDARD 16 Jan]* 47
- Multilateral Approach Urged in Spratly Dispute *[MALAYA 16 Jan]* 47
- Ople Urges ASEAN Defense Cooperation *[MANILA BULLETIN 17 Jan]* 48
- Official: Country More Able To Pay Foreign Debt *[MANILA BULLETIN 15 Jan]* 48
- Mindanao Leaders Sign Peace Resolutions *[MALAYA 16 Jan]* 49

Thailand

- Kroekkrai on Financial Market Liberalization *[THE NATION 21 Jan]* 49
- Commerce Minister Supports EAEC *[BANGKOK POST 20 Jan]* 50
- Burma Rebel Peace Talks Venue Request Rejected *[THE NATION 21 Jan]* 50
- Danish Aid Cut, Pressure Sought on Burma *[Copenhagen BERLINGSKE TIDENDE 18 Jan]* 50

Vietnam

- Reportage on Midterm Conference 51
  - Conference Opens *[Hanoi Radio]* 51
  - New Politburo Members Elected *[Hanoi Radio]* 51
  - Ha Dang News Conference *[Hanoi TV]* 51
  - Article Reviews Agenda *[Hanoi Radio]* 52
  - Do Muoi Delivers Political Report, Part One *[Hanoi Radio]* 53
  - VNA on Do Muoi Report 56
- Le Duc Anh Receives Iranian Minister. *[VNA]* 58
  - Nong Duc Manh Receives Minister *[VNA]* 59
- Monk Said Sentenced to Three Years in Prison *[AFP]* 59
- Gold Miners Said To Wound 42 Troops *[AFP]* 59
- BERNAMA News Agency Opens Hanoi Bureau *[VNA]* 60
- Doan Khue Greets Counterpart on LPA Anniversary *[Hanoi Radio]* 60
- Party Reports 1993 Enrollment Figures *[Hanoi Radio]* 60

Japan

U.S. Criticism of Bureaucrats Termed 'Improper'

OW2001143094 Tokyo KYODO in English 1420 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—A top Foreign Ministry official expressed discontent Thursday [20 January] with U.S. criticism against Japanese bureaucrats over framework trade talks.

The official, speaking on condition of anonymity, called the criticism "improper."

The two countries agreed to promote the trade talks on schedule in line with a bilateral accord, the official said.

"Criticism against counterparts in negotiations will serve only as a negative factor in talks," he said.

Senior White House officials expressed Tuesday frustration about the stalemated discussions and indicated that the United States has given up hopes of getting a deal through negotiations with Japanese Government bureaucrats.

Bowman Cutter, the White House official in charge of overseeing the bilateral talks, said it is time to move them beyond the confines of the bureaucracy, saying "sooner or later there has to be the capability to deal with people with political responsibility."

U.S. Drops Threat of Sanctions on Construction

Tokyo Welcomes Decision

OW2001011994 Tokyo KYODO in English 0101 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—The Japanese Government Thursday [20 January] welcomed a U.S. decision to drop threatened trade sanctions concerning a bilateral dispute over Japan's construction market.

Construction Minister Kozo Igarashi said in a statement that the U.S. appears to have given high marks to efforts by the administration of Prime Minister Morihiro Hosokawa to resolve the issue, including a recent action program to open Japan's construction market to foreign contractors.

Following Tuesday's unveiling of the action program to overhaul Japan's public works bidding system, the United States announced Wednesday it had removed trade sanctions set to go into effect Thursday.

Foreign Minister Tsutomu Hata also lauded Washington's move, saying in a statement that he is convinced that the settlement of the issue will contribute to progress in ongoing bilateral framework trade talks.

Takemura Praises 'Quick' Reaction

OW2001041694 Tokyo KYODO in English 0357 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—Japan welcomes the U.S. move to lift threatened sanctions against Japan's construction market, Chief Cabinet Secretary Masayoshi Takemura said Thursday [20 January].

"We hail the quick U.S. reaction" to Japan's action program aimed at boosting foreign access to its construction market, the top government spokesman told a news conference.

He also expressed hope that the outcome of the Japan-U.S. construction negotiations will have a favorable effect on the "much bigger theme" of bilateral framework trade talks.

Following Japan's announcement of the action plan on Tuesday, U.S. Trade Representative Mickey Kantor said Wednesday that the United States will remove the threatened punitive actions against Japan over the construction market.

The U.S. had charged that the Japanese bidding system, which allows only a select number of construction firms to tender for public works contracts, discriminates against U.S. companies.

Washington had set Thursday as the deadline for Tokyo to make requested changes in bidding procedures, otherwise sanctions would be imposed.

Takemura said, however, that Japan drew up the action program of its own volition, not because of U.S. pressure.

"I hope this move will have a favorable effect on the Japan-U.S. framework talks toward the summit in February," he said.

Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton will meet in Washington on February 11 to assess progress in the bilateral negotiations being held under a trade framework accord reached last July.

The action program, which takes effect April 1, calls for the introduction of an open bidding system on public works projects of central and local governments and 84 public corporations.

Currently, only designated contractors are allowed to participate in bidding for most projects.

Under the action plan, the open bidding system will be introduced for state-sponsored projects worth 4.5 million special drawing rights (SDRs) or more of the International Monetary Fund, or about 720 million yen or more. At present, one SDR is valued at 160 yen.

Construction Minister Kozo Igarashi said earlier in a statement that the U.S. appears to have given high marks to efforts by the Hosokawa administration to resolve the issue.

Foreign Minister Tsutomu Hata also said in a statement that he is convinced that the settlement of the issue will contribute to progress in the framework trade talks.

U.S. Insurance Demands Called 'Lopsided'

OW2001083094 Tokyo KYODO in English 0808 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—Japanese nonlife insurers on Thursday [20 January] blasted U.S. trade negotiators for calling for targets in market access, saying the demands were without any "substantial" knowledge of the country's insurance market.

The criticism came in a statement issued by the Marine and Fire Insurance Association of Japan.

The association pinpointed "the U.S. side's lopsided demand without any substantial knowledge of the Japanese insurance market" as the reason for a deadlock in the negotiations—one of the key issues in the bilateral "framework" talks.

"Personal field accounts for three-fourths of the premiums in the fire and marine insurance market, and even if the government decides on numerical targets, they cannot be attained," the statement said in reference to U.S. demands for "objective criteria."

The statement also counterattacked the U.S. market, saying it was more exclusive than Japan's because each state requires its own license for new entries.

Industry Leader Views Call To Settle Auto Talks

OW2001093594 Tokyo KYODO in English 0917 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—A top Japanese automobile industry leader expressed reservations Thursday [20 January] over calls to settle stalled Japan-U.S. talks on auto parts purchases before the bilateral summit in Washington next month.

Yutaka Kume, chairman of the Japan Automobile Manufacturers Association, also told reporters there should be no misunderstanding on any agreement at the summit between Prime Minister Morihiro Hosokawa and President Bill Clinton.

Kume recalled that the Japanese industry set a voluntary target for its auto parts imports during then President George Bush's Tokyo visit in 1992 but that the United States later characterized it as a "public pledge," which became a source of dispute.

He said such a situation must be avoided.

The U.S. is demanding in the talks that Japan set numerical targets for its auto parts imports.

Official Denies Kantor To Visit

OW2001080894 Tokyo KYODO in English 0748 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—Japan's vice trade minister on Thursday [20 January] denied reports that U.S. Trade Representative Mickey Kantor will visit Japan in an attempt to push stalled bilateral "framework" trade talks before the February Japan-U.S. summit.

Tokyo has not received such notification from the United States, Hideaki Kumano, vice international trade and industry minister, told a press conference.

Kumano said the reported visit by Kantor before the February 11 meeting between Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton would "not be realistic" in view of a tight political schedule in Japan up to the summit.

Kumano dismissed reported U.S. accusations that Japanese bureaucrats are helping foot-drag progress in bilateral trade talks.

Tokyo has not received specific U.S. requests to improve the situation, Kumano said, adding the government has responded appropriately by holding talks with the trade minister when necessary.

Fujii, Bentsen Meeting Said Likely

OW2001091294 Tokyo KYODO in English 0857 GMT 20 Jan 94

[Text] Tokyo, Jan. 19 KYODO—Japanese Finance Minister Hirohisa Fujii and U.S. Treasury Secretary Lloyd Bentsen are likely to meet in Tokyo on Sunday [23 January] if their schedules allow, a top Finance Ministry official said Thursday.

"Arrangements are now being made in that direction," vice finance minister Jiro Saito told reporters.

Bentsen will make a stopover in Tokyo on his way back from visits to other Asian nations.

Saito said no official decision on the meeting has been made, nor has a possible time been set.

The meeting, if realized, would probably be to "exchange views frankly," he said.

Clinton Remarks on U.S. Trade Woes Reported

OW2101043294 Tokyo KYODO in English 1242 GMT 20 Jan 94

[Text] Washington, Jan. 20 KYODO—President Bill Clinton said Thursday [20 January] the United States must reduce its trade deficits and identified Japan and China as "our biggest problems."

Clinton, speaking on a television talk show, said he is particularly distressed with trade gaps which he said are "structural and permanent."

"Our biggest problems are with Japan and now with China," he told the Cable News Network's "Larry King Live," a television talk show that is beamed worldwide.

"We are working on both of them," he said.

Clinton made the remarks in reply to a question from a caller who asked whether he favors increasing the local content of U.S. products in order to reduce the size of the U.S. trade deficit.

"I would like to lower our trade deficit, at least that which is structural and permanent," he said.

Clinton said the U.S. Government must, however, be "very careful" over the "Buy American" proposal because it might violate U.S. commitments under international trade treaties.

"We do have certain 'Buy American' preferences in our laws, but we have to be very careful how far we go without violating treaties and agreements we make with other countries which take our products freely," he said.

Japan and China both run huge trade surpluses with the United States.

According to U.S. trade figures, Japan's bilateral trade surplus is running at more than 50 billion dollars a year, while China's tops 20 billion dollars.

Toyota To Increase U.S. Production

OW2101012994 Tokyo KYODO in English 0055 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—Toyota Motor Corp. expects its U.S. manufacturing arm to produce some 300,000 units this year, an increase of about 25 percent over the previous year, a company spokesman said Friday [21 January].

Toyota Motor Manufacturing U.S.A. Inc. (TMM), based in Georgetown, Kentucky, turned out 234,000 units last year, the spokesman said.

TMM is scheduled to begin production at a second plant next to the current facility in late March.

The new plant will assemble the Camry, which is now built at the current plant, and the Avalon, TMM's new flagship car to be introduced this autumn.

Besides Camry sedans, the current Georgetown facility also produces and exports Camry station wagons and coupes to several foreign countries, including Japan.

Defense Chief Urges Readiness for Korean War

OW2101090794 Tokyo KYODO in English 0850 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—Defense Agency Director General Kazuo Aichi said Friday [21 January] that Japan should prepare for the eventuality of war on the Korean peninsula, even though there is no immediate danger.

"Although the Korean peninsula has not become particularly strained, considering the fact that tension exists there we must study how to respond to various situations arising from a hypothetical outbreak of conflict," Aichi told reporters.

Aichi was believed to be alluding to possible economic sanctions imposed by the United Nations Security Council against North Korea over Pyongyang's suspected nuclear weapons program.

North Korea has warned that it will not stand idle if subjected to an economic blockade.

On the question of Japanese support for U.S. troops based in Japan were such a conflict to break out, Aichi said it would be decided on a "case-by-case" basis.

"We would have to consider to what extent we could (lend support) in the context of maintaining the Japan-U.S. alliance," he said.

Defense Agency officials said the United States has already asked for Japan's support in such an event. They said the request is being considered primarily by the Foreign Ministry.

Trading Firm Implicated in DPRK Sub Sales

OW2101042894 Tokyo KYODO in English 0412 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—A small Japanese trading firm which reportedly arranged for North Korea's purchase of 40 obsolete submarines from Russia has been found in Tokyo, the Ministry of International Trade and Industry [MITI] reported Friday [21 January].

The ministry, citing its own investigation, said it plans to ask the company's president about the allegation after his return from a trip overseas.

The company and its president were not immediately identified by name.

THE NEW YORK TIMES reported Thursday that a Japanese trading firm had arranged the deal between North Korea and Russia.

The ministry said it also plans to confirm the report with the Russian government through diplomatic channels.

Political Reform Bills Approach Diet Vote

Panel Approves Package

OW2001023094 Tokyo KYODO in English 0223 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—A government-proposed political reform package barely scraped through a vote in a House of Councillors panel Thursday [20 January] morning, paving the way for a showdown vote in the fu[illegible]mber that could make or break Prime Minister Mo[illegible]o Hosokawa's five-month-old administration.

The upper chamber's Special Committee on Political Reform approved the package of four bills by a voice vote.

Eighteen committee members were in favor and 16 were against.

Hosokawa has staked his job on the passage of the political reform bills which call for members of the House of Representatives to be elected through a combination of single-seat constituencies and proportional representation, in place of the current multiseat constituencies.

Originally designed to clean up Japan's scandal-tainted political system, the package also calls for a limited tightening of curbs on political funds.

It remains unclear, however, whether the coalition can secure their passage by a full session of the upper chamber in view of dissent among some legislators of the Social Democratic Party, the biggest party in the ruling coalition.

The coalition, which hopes to have the vote by the full house on Friday, has a slim majority with a combined force of 131, compared with the opposition's 115. It needs 126 votes to be sure of winning.

The committee vote came after eleventh-hour talks Wednesday between the coalition and LDP [Liberal Democratic Party] failed to achieve a compromise over LDP demands to modify the bills.

The powerful lower chamber passed the package on November 18.

Further on Panel Decison

OW2001050894 Tokyo KYODO in English 0450 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—A special panel of the House of Councillors barely approved a government-proposed political reform package Thursday [20 January] morning, setting the scene for a showdown in the full chamber.

The vote by the full house is widely seen as make or break for Prime Minister Morihiro Hosokawa's five-month-old coalition government.

In a stand-up vote, the upper chamber's 35-member Special Committee on Political Reform approved the package of four bills, on which Hosokawa has staked his job, by 18 votes to 16.

Committee Chairman Yubun Ueno declared, "I recognize the fact that a majority of committee members voted for the bills" soon after a rebel member of the No. 1 opposition Liberal Democratic Party (LDP), Tomoichi Hoshino, surprised fellow LDP members by voting with the government.

Hoshino's rebellion against the LDP party line was apparently totally unexpected, and television coverage showed vexed LDP panelists looking around to see what had happened or pointing accusing fingers at him.

Hoshino said after the vote that he is quitting the LDP, which was ousted last August after 38 years in power.

It remains unclear, however, whether the coalition can secure passage of the bills by a full session of the upper chamber in view of dissent among some legislators in its biggest party, the Social Democratic Party [of Japan].

The coalition, which hopes to have the vote by the full house on Friday, has a slim majority with a combined force of 131, compared with the opposition's 115. It needs 126 votes to be sure of winning.

Chief Cabinet Secretary Masayoshi Takemura, Hosokawa's chief spokesman, said the government welcomes the panel's vote. He suggested at a news conference that the government is ready to accept further bargaining with the LDP to prevent it from voting against the package in the full chamber.

At the outset of the panel session, a coalition legislator tabled a motion to dispense with a question-and-answer session. Ueno immediately put the motion to a stand-up vote.

After the vote was tied at 17 to 17, Ueno used his casting vote to pass the motion.

Kazuyoshi Shirahama, a legislator from Komeito, a key coalition party, then told the panel, "Now that a total of 60 days have elapsed since the package was forwarded to the upper chamber, it is high time for us to put this historic reform package to a vote."

LDP Legislator Noriyuki Sekine warned, "If we pass it with only a slim majority, this legislation to completely redesign the mechanism of the electoral system that is the centerpiece of parliamentary democracy would disseminate causes for future problems in Japanese society."

Haruko Yoshikawa of the Japanese Communist Party also expressed opposition to the bills. "The fact that the coalition nixed a motion seeking witnesses to be called to elucidate suspicions over payoff scandals involving general contractors as well as the scandal over Prime Minister Hosokawa's acceptance of 100 million yen from the

Sagawa Kyubin Trucking Firm, shows it is not serious about stamping out money-dominated politics," she said.

Yukio Aoshima of the small Niin Club said, "Although the real wish of the public is to rid Japan of political corruption, such as payoff scandals involving contractors, the coalition sidetracked this crucial issue by falsely arguing that altering the electoral system could clear up corruption."

The committee vote came after eleventh-hour talks Wednesday between the coalition and LDP failed to achieve a compromise over LDP demands to modify the bills.

The package calls for drastically redesigning the mechanism for electing members of the powerful House of Representatives of Japan's two-chamber Diet.

It calls for the members to be elected through a mixture of single-seat constituencies and proportional representation, in place of the current multiseat constituencies, as well as unifying politicians' various funds-raising channels into the coffers of political parties.

The package cleared the lower chamber on November 18.

Hosokawa Ready To Talk to LDP

OW2001062494 Tokyo KYODO in English 0610 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—Prime Minister Morihiro Hosokawa on Thursday [20 January] expressed readiness to talk with Liberal Democratic Party (LDP) President Yohei Kono to reconcile differences over LDP proposals on modifying the government's political reform package.

Fielding questions from reporters, the premier said that whether the meeting with Kono takes place is entirely up to the LDP.

"If the LDP wants to hold the summit, I am ready to respond immediately," said Hosokawa, in an upbeat mood following the passage of the package through a House of Councillors committee earlier in the day. The vote was 18 for and 16 against.

The package is designed to redesign the mechanism for electing members of the House of Representatives of the two-chamber diet, while changing the political fundraising system by channeling donations to politicians through their parties' coffers.

Kono, meanwhile, ruled out holding a meeting with Hosokawa on possible modifications of the package.

He told reporters at the LDP headquarters, "at present, there remains no room for us to advance suggestions" to the coalition side.

On Wednesday, negotiators from the coalition and LDP failed to narrow a gap over the LDP's three demands, including the one calling for raising from 274 to 280 the number of lower house seats to be contested as single-seat constituencies in a 500-seat chamber.

SDPJ Members Urged Not To Defect

OW2001102194 Tokyo KYODO in English 1008 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—Social Democratic Party [of Japan] Chairman Tomiichi Murayama said Thursday [20 January] he might resign if a possible rebellion by several SDP [SDPJ] legislators led to the breakdown of a political reform package in Friday's vote at a full House of Councillors session.

"If the political reform package failed to clear the upper chamber as the result of SDP legislators' opposition, I will take the responsibility as the SDP chairman, as our party would not be able to disclaim resultant political responsibility," he said.

Murayama made the remark at a meeting of 73 legislators of the upper chamber, called one day before Friday's crucial vote that is regarded as make or break for the five-month-old administration of Prime Minister Morihiro Hosokawa.

The upper house will hold a plenary session at 3 p.m. Friday to vote on the government-proposed package, upon which Hosokawa has repeatedly pledged to stake his political future.

The wording "take the responsibility" was immediately taken as expressing Murayama's readiness to give up his chairmanship of the largest party in the ruling coalition in such an eventuality.

Murayama pleaded with the legislators not to defect to the opposition side in voting on the package.

On Wednesday, three SDP legislators vowed to vote against the package, saying its loopholes undermines the package's ability to scare legislators away from taking bribes, while asserting the proposed 274 single-seat constituencies would deal a heavy blow to the SDP in a next election.

Five more SDP legislators have publicly voiced their opposition to the package, citing similar concerns about its possible adverse fallouts.

At least three other SDP legislators have abstained from vowing to comply with the SDP leadership's instructions to vote with the coalition in Friday's vote.

The coalition has only a slim majority in the 252 upper chamber. The majority is 126 votes, as its chairman Bunbei Hara is not qualified to vote. The opposition camp brandishes 117 seats.

This means that defections of only nine SDP rebels to the opposition side could scuttle the package, unless similar defections on the LDP side broke up the LDP's unity.

Murayama said, "I want you to hand down your final judgments on the package with an eye to the issue of what would happen to the relationship between the cabinet and our party and how our party would be pressed to account for the failure of the package" if the package got bogged down.

The SDP, which has in the opposition for 38 years until the Liberal Democratic Party was ousted from power last August, finally could obtain six cabinet posts, including the office of minister in charge of political reform, in Hosokawa's 21-member cabinet.

The SDP, with its 76 upper house legislators, secured its intra- cabinet presence after a July 18 general election by throwing its political weight behind Hosokawa's bid to form a coalition government.

Murayama said Sadao Yamahana, a state minister charged with political reform, and other ministers may be expelled from the cabinet if the package were voted down.

Passage Hurdles Viewed

OW2001141594 Tokyo KYODO in English 1336 GMT 20 Jan 94

[By Takehiko Kajita]

[Text] Tokyo, Jan. 20 KYODO—With the passage of a set of government-sponsored political reforms through a key parliamentary panel on Thursday [20 January], Prime Minister Morihiro Hosokawa has one last hurdle to clear.

But that last test is perhaps the most difficult in his drawn out quest to implement sweeping reforms.

For Hosokawa, who has ardently pursued the introduction of measures necessary to eradicate rampant political graft in Japan, the clearance of his package through a special panel of the House of Councillors was a welcome development. But he is also keenly aware that the race is not over. The full upper house will meet Friday to put the bills to vote.

Although the governing coalition holds a slight majority in the 252-member upper chamber, it is uncertain whether Hosokawa can secure the votes he needs due to an anticipated revolt from some members of the largest force within the coalition, the Social Democratic Party [of Japan] (SDP) [SDPJ].

Fearing wrath from the public and other coalition members if the bills fail, the SDP leadership has attempted to persuade its potential rebels to support the government package.

But some of its lawmakers openly say they will cross the party line mainly to object to the introduction of a new electoral system for the House of Representatives, which will drastically change the nation's electoral map and would further reduce the SDP's presence in national politics.

Among them, Masao Kunihiro, a staunch opponent of the package, reiterated his opposition, saying, "To ask me if I am for or against it is like asking the pope if he is a Catholic."

But a senior coalition official, who refused to be identified, said the SDP leadership appears optimistic about the course of the final vote in the full upper house.

"Mr. Kubo (the SDP secretary general) keeps saying, 'The prospects are very grim,' but he has not looked so serious from yesterday," the official said.

Another factor clouding the fate of the government package—and of the Hosokawa cabinet—is the main opposition Liberal Democratic Party (LDP), knocked out of power last August after nearly 40 years of rule.

An unexpected revolt by Tomoichi Hoshino, an upper house LDP legislator, in Thursday's vote at a session of the second chamber panel, surprised the LDP, which had voiced confidence in unity among its upper house members.

Man Sasaki, chairman of the LDP Diet Affairs Committee in the upper house, told reporters the party will take all possible steps to prevent more of its legislators from voting with the government in the final vote.

Hosokawa, apparently in hope of securing the enactment of the reform legislation by the January 29 close of the current Diet sitting, stated there is room for further negotiations between the coalition and the LDP for a final compromise on the reforms.

While Hosokawa said he is ready to meet with LDP President Yohei Kono to bridge the gap between the two sides, Kono ruled out the idea.

The two men are both now in difficult positions. Hosokawa would have to step down along with all other cabinet ministers or dissolve the lower house for a general election should he fail to achieve his pledge to push the reforms through by January 29.

If the government reform package became law with no modifications, Kono would also face intense pressure from within his party to take responsibility for failure to change the legislation in its favor.

"He would eventually have to quit on his own," one LDP legislator noted.

Vote Outcome 'Uncertain'

OW2101054394 Tokyo KYODO in English 0532 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—The outcome of a vote by the plenary session of the House of Councillors on Prime Minister Morihiro Hosokawa's reform bills remains uncertain with the meeting due to start at 3 p.m. [0600 GMT] Friday [21 January].

Leaders of both ruling coalition parties and the opposition Liberal Democratic Party were continuing their efforts to persuade rebel members within their camps to vote in line with their parties' policies.

Hosokawa has reiterated his resolve to stake his political future on the package of four bills designed to introduce a combination of single-seat constituencies and proportional representation in the House of Representatives.

Failure to pass the bills could lead to Hosokawa's resignation or dissolution of the lower house for a general election, many political analysts said.

If enacted, the package could consolidate the political power base of Hosokawa, whose seven-party coalition government broke the LDP's 38-year grip on power last August, and trigger further realignments in the country's political arena, they said.

The seven coalition parties have a total of 131 seats in the 252-member upper chamber while the opposition LDP, the Japanese Communist Party and Niin Club have 115. A simple majority of the full house is 126.

More than 10 upper house members of the Social Democratic Party (SDP), the largest force in the coalition government, however, have expressed opposition to the package, fearing the introduction of single-seat electoral districts in the lower house might deal a severe blow to the party.

Some LDP members are also expected to defy the party leadership and vote for the bills.

Upper House Kills Political Reform Package

OW2101074294 Tokyo KYODO in English 0735 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—The House of Councillors on Friday [21 January] voted down the government's political reform package, dealing a severe blow to the five-month-old administration of Prime Minister Morihiro Hosokawa.

The vote was 118 for and 130 against.

The voting on the four bills came in an upper house plenary session that opened at 3 p.m.

Some members of the Social Democratic Party [of Japan] (SDP) [SDPJ], the biggest force in the seven-party coalition, voted against the package. Other SDP legislators abstained.

The SDP members who voted against the bills or abstained are said to be dissatisfied with the bill calling for a mixture of single-seat constituencies and proportional representation in elections for the House of Representatives.

The exact number of rebellious SDP members was not immediately available.

They outnumbered, however, those Liberal Democratic Party (LDP) members who crossed party lines to vote for the bills.

Although the coalition earlier vowed to seek to revive the package through bargaining at the 20-member consultative Diet body comprising executives from both the coalition and opposition parties, the prospects of such a revival are virtually nonexistent, Diet sources said.

In the face of the failure of the package, Hosokawa has a choice of disbanding his cabinet or dissolving the House of Representatives for a snap general election.

If he chooses to have the cabinet resign en masse, Hosokawa would most likely quit as premier and another coalition leader would take over the post, analysts said.

If he opts for a snap general election, it would be seen as a call for the electorate's judgment on political reform but would, of course, be held under the current system of electing 511 members of the lower chamber through multiple-seat constituencies.

Reaction to Rejection of Political Reform Bills

Hosokawa To Pursue Passage

OW2101094894 Tokyo KYODO in English 0938 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—Prime Minister Morihiro Hosokawa said Friday [21 January] he will pursue to the very end of the current Diet session on January 29 enactment of the political reform bills rejected by the upper house earlier in the day.

At a press conference following the rejection of the government-sponsored package of four bills by the House of Councillors, Hosokawa said he will do his utmost during the remaining days of the Diet session to have the package passed.

Hosokawa said he has no plans to dissolve the House of Representative for a snap general election or resign over his failure to have the bills clear the Diet.

The premier has repeatedly suggested he would step down or dissolve the lower house if he failed to get the political reform bills enacted.

Hosokawa said he will seek the enactment of the reform bills through a joint meeting of representatives from both chambers.

Under Article 59 of the Constitution, the lower house can call such a joint meeting to reach a compromise on bills rejected by the upper house.

The 252-member upper chamber voted down the bills aimed at introducing a election system combining single-seat constituencies and proportional representation in the lower house and changing the system of political fund-raising. The bills cleared the lower house on November 18.

A total of 17 upper house members of the Social Democratic Party [of Japan], the largest force in the coalition government, voted against the bills in defiance of the party line.

SDPJ Respnsibility Called 'Grave'

OW2101101594 Tokyo KYODO in English 0953 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—The leadership of the Social Democratic Party [of Japan] (SDP) [SDPJ], the largest group in the coalition government, will likely come under pressure to resign after failing to unite its members in passing government-proposed political reform bills through the Diet, political sources said Friday [21 January].

SDP Chairman Tomiichi Murayama told a meeting of the party's legislators that "the party's responsibility is grave."

But Murayama did not specify if he will take responsibility for the failure by resigning as chairman of the largest force within the seven-party coalition government.

In a plenary session Friday afternoon, the House of Councillors voted down the package of four political reform bills with a vote of 130-118.

Although the seven coalition parties hold a majority in the 252-seat upper house, 17 SDP members voted with the opposition to defeat the bills.

After the voting, Koken Nosaka, chairman of the SDP's Diet Affairs Committee, told reporters the failure of the bills "will be the responsibility of the (SDP's) leadership."

The SDP is expected to expel the 17 members who voted against the bills from the party, party sources said.

Murayama said Thursday he might resign if an expected rebellion by several SDP legislators led to the breakdown of the reform package in Friday's vote.

"If the political reform package fails to clear the upper chamber as a result of SDP legislators' opposition, I will take responsibility as the SDP chairman, as our party would not be able to disclaim resultant political responsibility," he said.

Business Leaders Regret Vote

OW2101114294 Tokyo KYODO in English 1038 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 Kyodo—Japanese business leaders expressed regret over the House of Councillors' rejection Friday [21 January] of the coalition government's political reform package.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said it was "highly regrettable" that the four political reform bills were killed.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, called the failure a dark day for Japan and one that could further dampen the slumping economy.

Inaba also expressed concern that the setback for political reform could slow economic deregulation that had been promoted by Prime Minister Morihiro Hosokawa's administration.

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), said a joint committee of both chambers of the Diet should compromise so that the package is enacted.

Takeshi Nagano, president of the Federation of Employers Associations (Nikkeiren), said failure to enact the package could heighten public distrust of politics and damage Japan's image overseas.

Political Implications Noted

OW2101142194 Tokyo KYODO in English 1204 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—Turbulence swept through the five-month-old administration of Prime Minister Horihiro Hosokawa Friday [21 January] after the House of Councillors voted to kill a political reform package on which he has staked his administration's fate.

The upper chamber rejected the package by 130 votes to 118, a margin of 12, after 17 defectors from the seven-party coalition undermined the coalition's unity.

The package of four bills was designed to completely overhaul the mechanism for electing the powerful House of Representatives, the lower house of Japan's two-chamber Diet, by introducing a 500-seat mixture of 274 single-seat districts and proportional representation.

The package is also designed to unify fundraising channels to direct all funds into the coffers of political parties, which would then distribute corporate donations among individual politicians.

Hosokawa, who rose to power after voters stripped the Liberal Democratic Party (LDP) of its 38-year lock on power last July, has repeatedly said he would place priority on passage of the package and vowed to "take responsibility" if it failed—a euphemism for resigning or disolving the lower house for a snap general election.

However, Hosokawa told a news conference after the voting that he "is not thinking" of stepping down as premier or dissolving the lower house for the election.

"In the 10 days remaining before the end of the current Diet session I will do my utmost to push the political reform package through the Diet," the premier said.

He said he would do his best to hammer out a compromise package by arranging for the Diet to set up a 20-legislator consultative body, comprising 10 legislators from each chamber.

Yohei Kono, president of the No. 1 opposition LDP [Liberal Democratic Party], told a separate new conference, however, "The vote margin is serious enough to forestall thinking by the coalition of further moves they might take."

Kono pressed Hosokawa to live up to his repeated pledges to resign, saying, "It is extremely serious that the coalition could not secure passage even after it substantially extended the Diet session. He should consider these things."

Kono also suggested that he would consider a suprapartisan proposal to legislate an alternative bill to impose tough penalties on legislators who take bribes.

On August 10, Hosokawa told his first news conference after taking power that he would assume responsibility for failure of the package to clear the Diet by the end of the current Diet session, then tentatively set to end December 15.

After the package failed to clear the Diet by the provisional deadline, Hosokawa extended the session by 45 days until January 29 and resumed his bid to push the package through the Diet.

The premier ruled out seeking to separately legislate the bill that would place stricter curbs on acceptance by politicians of shady political contributions.

Hosokawa said he wants to reconcile differences with the LDP through a summit with Kono.

He said his readiness to accept the LDP-proposed revision of the package grew following the failure to pass it, saying, "As the result of the developments in the Diet, there is greater room for a compromise with the LDP."

Koken Nosaka, chairman of the Social Democratic Party [of Japan] (SDP) [SDPJ] Diet Affairs Committee, told reporters the SDP leadership would be pressed by coalition partners to account for the breakdown of the package.

SDP Chairman Tomiichi Murayama told a meeting of SDP executives Thursday he would "take responsibility" as chairman of the party if the rebellion by some SDP legislators scuttled the package in Friday's vote.

A total of 17 legislators of the SDP, the biggest force in the seven-party coalition, voted against the package while two SDP legislators refrained from attending the voting session.

The dissenting SDP members have long criticized the package for carrying the possibility of undermining the parliamentary strength of the SDP, saying that the proposed 274 single-seat electoral districts would be disadvantageous to SDP legislators.

They have also chided the coalition for refusing to plug what they called "loopholes" in the package's anti-graft provisions designed to bar legislators from accepting bribes or buying votes.

Yasuo Nishino, one of the 17 SDP rebels, told reporters, "The Diet should place priority on legislating provisions to prevent bribe-taking."

The SDP dissidents outnumbered five LDP dissidents who crossed party lines to vote for the bills.

Meanwhile, Keiwa Okuda, chairman of the lower chamber's Steering Committee, said the lower chamber will convene its plenary session on January 25 to vote on a motion to ask the upper chamber to agree to establish the 20-member two-chamber consultative body.

If the two-chamber consultative body fails to work out a compromise bill, Hosokawa has the choice of disbanding his cabinet or dissolving the lower chamber for the election.

Hosokawa Hosts News Conference

OW2101125594 Tokyo NHK General Television Network in Japanese 0845 GMT 21 Jan 94

[News conference by Prime Minister Morihiro Hosokawa at the prime minister's official residence—live]

[Text] [Unidentified dean of press corps] Allow me to first ask general questions. First of all, the political reform bills were killed today. What do you think of this? Especially, what do you think of the fact that many members of the Social Democratic Party of Japan [SDPJ] voted against the bills?

[Hosokawa] First, I regret that the four political reform-related bills were defeated in the House of Councilors plenary session. I truly regret it. It is very regrettable that we could not respond to the expectations of many people. They had hoped the reform bills would be enacted as early as possible. But I am determined to make an all-out effort for the enactment of the bills, since there are about 10 more days before the end of the current Diet session. I plan to ask the Diet to decide, in accordance with constitutional procedures, how the reform bills should be handled from now on. Fortunately, Yohei Kono, president of the Liberal Democratic Party [LDP], and other LDP members have clearly stated that they will seek to realize political reform during the current Diet session. Thus, I hope negotiations between the LDP and the ruling coalition will start immediately. Now, you mentioned that some members of the SDPJ, the largest force within the ruling coalition, voted against the bills in line with their convictions. It is very regrettable, but I believe the party will continue to give full support to the ruling coalition. I strongly expect the party to do so.

[Dean of press corps] There seem to be big gaps between the government-proposed reform package and the reform plan put forward by the LDP. Does the government plan to make great concessions in negotiations with the LDP? Taking this stand, will the government negotiate with the LDP in accordance with constitutional provisions?

[Hosokawa] I am not quite sure how the negotiations will be promoted. I am not sure whether both sides will negotiate at a meeting of the conference committee of both houses. At any rate, this is basically a matter of Diet procedures and the lower house's choice. The government will have thorough discussions with the ruling parties.

[Dean of press corps] You said earlier you will ask the ruling parties to discuss the issue with the LDP in an attempt to have the bills passed during the current Diet session. I want to ask again how you will take your responsibility if you fail to have the bills passed during the current session, and I also want to ask if you have the possible dissolution of the House of Representatives or the resignation of the cabinet en masse in your mind?

[Hosokawa] Let me answer the latter question. I am not thinking about it. There are some days remaining. My biggest task now is to do my best to have the bills passed.

[Dean of press corps] Now, other reporters can ask questions.

[Unidentified reporter] The opposition camp points out that in a series of Diet deliberations, the ruling coalition's way of managing the Diet has been high-handed. Mr. Prime Minister, in your view, do you think the ruling coalition should conduct self-examination about some aspects of its management of the Diet?

[Hosokawa] Since the bills have been sent to the House of Councilors, about 70 days have passed and nearly 70 hours were spent on discussions. In view of this fact, I naturally think the Diet has been managed properly in accordance with parliamentary rules. My view is that the ruling parties' management of the Diet was not heavy-handed. I feel the ruling parties have respected the rules of Diet management as much as possible in managing the Diet.

[Unidentified reporter] You said earlier you will study possible negotiations with the LDP after seeing through moves within the ruling parties. In fact, a general view is that it is impossible to have the bills passed without the cooperation of the LDP either at the conference committee of both houses or at the House of Representatives. Basically, when negotiating with the LDP, do you intend to take a stand of making further concessions?

[Hosokawa] Well, I have no idea. But since the bills were rejected, I think the room for compromise has widened more than before.

[Unidentified reporter] I want to ask questions about this point. You have said discussions will be held at the conference committees of both houses, which means talks among representatives from each party or group. But are you considering holding a summit meeting with LDP President Kono immediately—which, incidentally, I heard has been canceled—before or after the discussions of the conference committees of both houses?

[Hosokawa] I have been saying it is a good idea to hold the meeting if the time is ripe, and my position is unchanged. But I need to see how discussions between the ruling parties and the opposition parties will develop. If the situation requires, in the process of the discussions, I will be willing to hold a summit meeting.

[Unidentified reporter] There are many remaining proposals, such as budget compilation and the issue of income tax reduction, which have to be discussed. Are you going to change the Diet schedule because the final decision on political reform will not be made until next week?

[Hosokawa] Well, the government, with the Economic Planning Agency at the center, is trying to draw up economic measures as soon as possible. We will start work on the third supplementary budget as soon as we finish forming the economic measures. However, we need to incorporate the economic measures in a budget. Moreover, some days will be needed for printing the budget. We will try to form the supplementary budget by shortening these processes as much as we can. We will continue our process of forming the 1994 budget. My feeling has not changed at all. I feel that we need to introduce economic measures as soon as possible in order to avoid creating apprehension about the current economic situation. There are many difficult issues, as you have pointed out. However, the government, regardless of the circumstances, will try to shorten the process as much as possible. I am sure we can shorten some clerical work.

[Unidentified reporter] I would like to ask you again about your political responsibility. You explained earlier, in response to a question regarding the possibility of dissolving the lower house in case discussions with the Liberal Democratic Party end up in failure, that you were not thinking about dissolution. Then, what kind of responsibility are you going to take should the discussions end in failure?

[Hosokawa] As I have said earlier, my task is to do my best during the remaining Diet session. We have more than 10 days left. I know I am repeating what I said earlier, but this is what I feel now.

[Unidentified reporter] When you became prime minister, you said you would take political responsibility should political reform not be realized before the end of the year [1993]. Now, you are saying you will realize it during the current Diet session. What are you going to do if you cannot do it before the end of the current Diet session?

[Hosokawa] We still have more than 10 days left before the current Diet session ends. I am saying that I will do my best during this period.

[Unidentified reporter] You have been trying to pass the four bills all at the same time. But, could you not separate the bill on prevention of political corruption from the other bills, and approve it first?

[Hosokawa] I do not think so. It is not a good idea to separate the bills. The LDP has been saying that too. Measures regarding prevention of political corruption are incorporated in the four bills. For example, the issues of transparency regarding relations between politics and money, and strengthening penal regulations are included in the bills. Moreover, I believe these measures will become effective when the political and electoral system reform bills are approved. Therefore, I do not think it is a good idea to separate the bills. This has been my fundamental stance and it has not changed.

[Unidentified reporter] The bills were not approved because some members of the Social Democratic Party voted against the bills. Do you think this will change or have some impacts on the coalition government?

[Hosokawa] I cannot say anything at this moment. I have to wait a little while. I hope what you have said will not happen.

USDP Dissolving, Members Join Other Parties

OW1901131994 Tokyo KYODO in English 1130 GMT 19 Jan 94

[Text] Tokyo, Jan. 19 KYODO—Three House of Representatives members of the United Social Democratic Party (USDP) will join the parliamentary group of the two coalition parties of Sakigake [Harbinger] and the Japan New Party (JNP), sources close to the group said Wednesday [19 January].

Satsuki Eda, its leader and currently state minister in charge of the Science and Technology Agency, Shogo Abe, party secretary general, and Yanosuke Narasaki will join the group as early as next week after dissolving a parliamentary link with the Social Democratic Party [of Japan] (SDP) [SDPJ], they said.

The USDP, which was formed in March 1978, splitting the SDP, will decide to put an end to its 16-year history next Monday at a meeting, they said.

The other USDP lower house member, Naoto Kan, has already joined the parliamentary group.

Abe told a party meeting in early January that his party's historical duty to seek power change is over.

Eda has said that the USDP's dissolution would be a first step toward political realignment.

The USDP, which has also one seat in the House of Councillors, joined six other parties last August to form the seven-party coalition government ousting the Liberal Democratic Party (LDP) from a 38-year grip on power following the general elections one month before.

The JNP is led by Prime Minister Morihiro Hosokawa, while Sakigake is led by Chief Cabinet Secretary Masayoshi Takemura.

Task Force Established on Reform, Deregulation

OW2101004894 Tokyo KYODO in English 0021 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—The government decided Friday [21 January] to set up a task force to promote administrative reform and deregulation aimed at improving life and boosting the economy, government officials said.

The Administrative Reform Promotion Headquarters headed by Prime Minister Morihiro Hosokawa consists of all cabinet members and Fair Trade Commission Chief Masami Kogayu.

The task force next week will decide on an administrative reform outline for fiscal 1994 and start drafting a list of deregulation items, the officials said.

Special private consultants may participate in the process, they said.

The headquarters will concentrate on such fields as housing construction and land for easing government controls, they said.

Trade Surplus Hits Record in 1993

OW2101101194 Tokyo KYODO in English 0912 GMT 21 Jan 94

[Text] Tokyo, Jan. 21 KYODO—Japan posted a record surplus in its merchandise trade in 1993 for the second straight year, but monthly figures underscored the recent downward trend, the Finance Ministry said in a preliminary report Friday [21 January].

The customs-cleared trade surplus in 1993 came to 120.40 billion dollars, up 12.9 percent from a year before, with the December surplus expanding 15.5 percent to 12.93 billion dollars after falling 2.2 percent in November to stop a consecutive year-on-year gaining streak of 34 months.

Briefing reporters, a ministry official said that monthly movements over the past year showed "substantial stability," especially in "the August-November period as the yen's appreciation started to undermine exports in terms of volume."

Exports in 1993 rose 6.3 percent to 360.98 billion dollars while imports gained 3.2 percent to 240.58 billion dollars.

In volume, exports fell 0.5 percent to post the first fall in seven years, while imports gained 4.4 percent for the first rise in two years.

The dollar averaged 111.39 yen in 1993, down 13.7 percent from the previous year's 126.64 yen.

The yen's appreciation since last January started to slow the surplus growth from August and the first contraction in 35 months was posted in November.

Looking ahead, the official said the politically sensitive surplus is on the decline, but did not offer a clear outlook, saying "It depends on crude oil prices, exchange rates and economies at home and abroad."

Crude oil prices averaged 17.65 dollars per barrel, down 8.8 percent from 19.36 dollars.

Many economists agreed that Japan's surplus has peaked, but said a sharp decline ahead is unlikely with the weak domestic economy undermining imports.

On a country basis, Japan registered a third straight rise in its trade surplus with the United States in 1993, gaining 15.2 percent to 50.19 billion dollars, the third largest amount.

The surplus with the European Union fell for the first time in three years to 26.32 billion dollars, down 15.6 percent, and that with Asian nations topped that with the United States for the first time at 53.59 billion dollars, up 28.8 percent for the fourth rise in a row.

In the latest reporting month, exports rose 6.1 percent from year-earlier levels to 32.74 billion dollars, and imports inched up 0.7 percent to 19.80 billion dollars.

In volume, exports fell 2.4 percent for the fifth consecutive decline, and imports rose 4.6 percent for the 10th straight gain.

The official attributed the rise in December trade surplus to large exports of ships and to the sharply lower import value of crude oil and oil products due to a decline in crude oil prices that averaged 16.22 dollars, down 16.8 percent from 19.42 dollars.

For both 1993 and December, sharp rises in exports were posted for microchips and chips, and steep declines in automobiles and audiovisual equipment.

Imports of crude oil and products posted notable decreases, and those of microchips gained sharply.

The ministry official pointed to the sharply lower export volume of automobiles—Japan's key export item—which fell 22.3 percent to 392,000 vehicles in December.

On a country and area basis in the latest reporting month, Japan posted a trade surplus of 5.36 billion dollars with the United States, up 17.3 percent for the 21st rise in a row; 2.22 billion dollars with the EU, up 9.7 percent; and 5.90 billion dollars with Asian nations, up 9.8 percent.

Consumption Tax May Reappear as 'Welfare Tax'

OW2001040494 Tokyo KYODO in English 0323 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—The consumption tax may be renamed the "welfare tax" in a bid to win public support for raising it, government sources said Thursday [20 January].

The issue has been deliberated within government circles for some time, the sources said.

The governing coalition has been under pressure to clarify the purpose of the tax in light of the rapid aging of Japan's population, they said.

It is also being argued that a name change could help win support for raising the current rate from 3 percent, a move that is strongly opposed by the Social Democratic Party [of Japan], the largest party in Prime Minister Morihiro Hosokawa's coalition government.

The idea has met with criticism from some people engaged in various welfare programs, who fear that the amount of tax collected under that name might be regarded as a ceiling for welfare spending.

Postal Ministry Considers Further Rate Increase

OW2001075294 Tokyo KYODO in English 0734 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—The Posts and Telecommunications Ministry said Thursday [20 January] it may be forced to seek another raise in postal rates in the coming years despite an average 24 percent rate hike scheduled to take effect Monday.

The postcard rate will be raised to 50 yen from the present 41 yen and the letter rate will to 80 yen from 62 yen.

The postal service is likely to record a single-year surplus of 50 billion yen in fiscal 1994, starting April 1, due to the hike, but is expected to register a deficit in fiscal 1997 due to rising labor costs and sluggish business demand for mail services, the ministry said.

The service is expected to have an accumulated deficit of 177.7 billion yen at the end of fiscal 1993 next March 31.

At the end of fiscal 1996, the service will still have an accumulated deficit of around 45 billion yen, the ministry said.

The ministry attributed its pessimistic outlook to slumping corporate demand for mail for advertising.

The volume of mail increased by between 4.6 and 6.1 percent from fiscal 1988 to 1991, but the rate dropped to 1.9 percent in fiscal 1992. The rate for fiscal 1993 is estimated at somewhere between 1 and 2 percent.

The growth rate is likely to drop to the minus column in fiscal 1994, due to the rate increase, and remain at about 2 percent in the following years, the ministry said.

Chamber of Commerce Head Urges Income Tax Cut

OW2001100394 Tokyo KYODO in English 0902 GMT 20 Jan 94

[Text] Tokyo, Jan. 20 KYODO—The Commerce Chamber head on Thursday [20 January] urged the government to carry out an income tax reduction of 7 trillion yen in order to revive the ailing Japanese economy.

A substantially large-scale income tax cut is necessary in light of the delay in implementing a tax reduction, Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, told a press conference.

Inaba also said the government should begin studying a consumption tax hike as a means of covering the income tax cut, after confirming the economy has turn around.

Inaba said the ruling coalition parties and the opposition camp should do their utmost to avoid creating a political vacuum over the issue of political reforms.

The most urgent task facing the government is the formation of a third supplementary budget for fiscal 1993 and the main budget for fiscal 1994, he said.

EPA Says Industrial Production Still Sluggish

OW1801100494 Tokyo KYODO in English 0926 GMT 18 Jan 94

[Text] Tokyo, Jan. 18 KYODO—Japan's industrial production remains sluggish so far in January, except in limited sectors including the semiconductor industry, the Economic Planning Agency (EPA) said in a survey published Tuesday [18 January].

It also said efforts to reduce inventories were making little progress.

Domestic shipments of videocassette recorders, refrigerators and washing machines in January recorded year-on-year increases, however.

In the nonmanufacturing sector, the value of lease contracts continues to decrease and domestic freight transport business, other than home delivery of parcels, remains slow, the EPA said.

Regional Banks See 'Bleak Outlook' for Economy

OW1901085694 Tokyo KYODO in English 0833 GMT 19 Jan 94

[Text] Tokyo, Jan. 19 KYODO—Japan's regional banks painted a bleak outlook for the economy on Wednesday [19 January] with a top official brushing aside recent market optimism resulting from buoyant personal consumption over the year-end.

"I didn't particularly get the feeling that the economy has turned brighter... from recent conversations" with various company heads, said Takashi Tanaka, chairman of the Regional Banks Association of Japan.

Companies have pushed forward with "restructuring" but the prolonged business slump is now forcing them to start "labor adjustments," he told a regular press meeting.

In a monthly survey of Japan's 60 regional banks released at the same time, the association said business activities in most regions are expected to remain weak over the next three months under "sluggish personal consumption and stagnant production despite expected steady home building and public works."

"The degree of stagnancy particularly in production is deepening," said the survey conducted in late November.

Considering the government's plan to use public funds in stimulating liquidity of the real estate market, Tanaka praised it as a "very good" option in economic measures.

But he expressed caution over linking the land program to measures on nonperforming loans at banks, saying, "we see no direct relation."

Tanaka reiterated his opposition to using public funds to help banks liquidate bad loans, and banks should take the "responsibility themselves."

He also expressed opposition to wider disclosure of problem loans and to active liquidation in the current fiscal year even at the cost of reporting net losses or sharp profit declines.

Regional banks are required to disclose only bad loans extended to insolvent customers, while Japan's 11 major commercial banks, known as city banks, are obligated to also announce loans that have produced no interests for six months or longer.

On liberalization of demand deposit rates, Tanaka called for "careful" and "thorough" discussions even if an adoption this year is delayed to realize a system of government-backed postal rates following private-sector rates.

The Finance Ministry, insisting on a system led by private-sector rates, is now negotiating with the Ministry of Posts and Telecommunications.

Keidanren Head Urges Effective Economic Stimulus

OW1901111894 Tokyo KYODO in English 1029 GMT 19 Jan 94

[Text] Tokushima, Jan. 19 KYODO—Gaishi Hiraiwa, head of the powerful Federation of Economic Organizations (Keidanren), urged the government Wednesday [19 January] to implement effective pump-priming measures as soon as possible.

The Keidanren expects the government to take measures without interruption, said Hiraiwa, who visited this western Japan city to attend a meeting of regional business leaders.

No effective economy stimulus measures have been taken since Prime Minister Morihiro Hosokawa took office last August, he said.

He urged the government to reduce corporate taxes along with income tax cuts in view of flagging corporate expenditures.

Hiraiwa said it is inappropriate to discuss employment security and wage hikes as a matter of option.

Both are important problems and the Keidanren will continue to make efforts to realize both, he said.

Hiroshi Saito, vice chairman of the federation and chairman of the world's leading steel maker Nippon Steel Corp., who was present at the meeting, called for income tax cuts at least two years ahead of a consumption tax hike.

He proposed the floating of national bonds to secure funds for the tax cuts.

It is confusing to talk about pump-priming measures and a revision of the tax system in the long run at the same time, he said.

Hosokawa Calls Stable Employment 'Top Priority'

OW2101040094 Tokyo KYODO in English 1242 GMT 20 Jan 94

[Text] Tokyo, Jan. 21 KYODO—Prime Minister Morihiro Hosokawa said Friday [21 January] that ensuring a stable employment environment is one of the top priority jobs for the government.

Hosokawa told the second meeting of a special cabinet forum on employment that the government needs to put into practice as early as possible a program of creating more jobs that was worked out in mid-December by the Labor Ministry.

Finance Minister Hirohisa Fujii, also present at the meeting, pledged fiscal support for the program, while Minister of International Trade and Industry Hiroshi Kumagai said his ministry plans to nurture promising industries such as biotechnology, new energy and information to create new jobs.

Labor Minister Chikara Sakaguchi, meanwhile, called for an early drafting of a new economic pump-primer by the government, saying improvement in the labor climate needs recovery of the economy.

NTT To Enter U.S. Telecommunications Market

OW2101044394 Tokyo KYODO in English 1233 GMT 20 Jan 94

[Text] New York, Jan. 20 KYODO—Japan's domestic telecommunications giant, Nippon Telegraph and Telephone Corp., said Thursday [20 January] it has paved the way for entry into the U.S. telecommunications market.

The former government-run monopoly said a contract was signed with U.S. mobile telecom firm Nextel Communications Inc. (CALL) on Thursday to form a partnership between the two companies.

Under the agreement, NTT will acquire a 0.9% stake in the U.S. partner for 75 million dollars and cooperate in the deployment of Nextel's digital mobile networks throughout the United States, the company said.

NTT is promoting in Japan its own digital communications service, known as integrated service digital network.

Besides NTT, Motorola Inc. of the United States and Matsushita Communication Industrial Co., an affiliate of consumer electronics maker Matsushita Electric Industrial Co., have invested in Nextel.

Cable System Favored for Broadcasting Service

OW1701133794 Tokyo KYODO in English 1237 GMT 17 Jan 94

[Text] Tokyo, Jan. 17 KYODO—A majority of corporate executives and heads of local entities favor cable transmission for broadcasting in the 21st century when an optical fiber telecommunications system is completed, the Postal Ministry said Monday [17 January].

The Posts and Telecommunications Ministry said the survey also showed that those polled called for allocation of radio frequencies for mobile telecommunications networks.

The ministry said the report was based on interviews with 372 heads of local governments and corporate executives, as well as academics, from last October to the year-end.

About 90 percent of the pollees called for emphasis to be placed on the consolidation of telecommunications networks in developing the social infrastructure in the 21st century, the ministry said.

A majority of the pollees called for cable transmission to be set aside for broadcasting, while allotting radio frequencies to the mobile telecommunications network, the ministry said.

The results of the survey were reported to the Telecommunications Council, an advisory organ in the ministry.

Sanyo To Boost Output of Optical Pickups

OW1701010894 Tokyo KYODO in English 0020 GMT 17 Jan 94

[Text] Osaka, Jan. 17 KYODO—Sanyo Electric Co. said Monday [17 January] it will boost production of optical pickups, a key component for compact disc (CD) players, to meet rapidly rising demand.

Optical pickups are used to read digital signals for optical disks.

The Osaka-based consumer electronics company will raise overall production in Japan and overseas for its business year ending in November to 24.9 million pickups.

Optical pickups are in strong demand due to wider use of minidiscs and compact disc read-only memories (CD-ROMs).

Sanyo is churning out the high value-added electronic component in Japan, China and South Korea, with combined output coming to 14.7 million in the year which ended last November.

Currently, the company holds a 25 percent share in the global market, in which Sony Corp. commands the lion's share of about 60 percent, according to industry analysts.

They say total sales are expected to gain 20 percent to 72 million pickups in the world marketplace.

North Korea

Foreign Ministry Views IAEA Negotiations

SK2101044094 Pyongyang KCNA in English 0430 GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by KCNA today regarding the on-going negotiations between the DPRK and the International Atomic Energy Agency [IAEA] in Vienna.

Negotiations on the continuity of safeguards are now going on between an official of the DPRK Embassy in Austria and an official of the Secretariat of the IAEA. The negotiations were arranged according to an agreement between the DPRK and the United States.

As already reported, at the DPRK-U.S. contact held in New York toward the end of last year, the U.S. side officially manifested its will to suspend the Team Spirit joint military maneuvers, a test nuclear war, as part of the measures for removing nuclear threat to the DPRK, and we decided to accept inspection for the continuity of safeguards in conformity with our special position after the temporary suspension of the effectuation of our withdrawal from the Non-Proliferation Treaty [NPT].

What we decided to allow is not routine or ad hoc inspection pursuant to the obligation under the NPT, but inspection merely for the continuity of safeguards conforming to our special position.

We proposed a scope of inspection enough to guarantee the continuity of safeguards at the current negotiations with the IAEA.

The IAEA should show an affirmative response to defining the scope of inspection commensurate with the guarantee of the continuity of safeguards at the negotiations, as agreed between the DPRK and the USA.

As we have already declared, the issue of routine and ad hoc inspection under the safeguards agreement shall be resolved smoothly, if the third round of the DPRK-USA talks are held and an agreement is reached on the package solution.

Therefore, there will be no ground for the IAEA Secretariat to refuse to respond to our reasonable proposal, if it is interested in the solution of the nuclear issue and the guarantee of the continuity of safeguards on the Korean peninsula.

We make it clear that, if the continuity of the safeguards fails to be guaranteed due to the absurd assertion of the IAEA Secretariat, we cannot be held responsible for it and the responsibility lies with the opposite side which complicated the nuclear issue on the Korean peninsula.

Death of South's Reverend Mun Ik-hwan Reported

SK2001053394 Pyongyang KCNA in English 0455 GMT 20 Jan 94

[Text] Pyongyang, January 19 (KCNA)—Rev. Mun Ik-hwan, a patriotic champion of reunification who had been active in South Korea for a long time for the reunification of the country and the democratization of the society, died, to our regret, on January 18 at the age of 76.

He devotedly struggled in South Korea for independence and democratization of the society and for the reunification of the country.

He, who started the activities for democracy in 1974 as a member of the Council of Literary Men for the Practice of Freedom, worked out the "March 1 Declaration for Democracy and National Salvation" against the "Yusin" fascist dictatorship in 1976. And in 1979, he, active as the chairman of the Central Standing Committee of the National Alliance for Democracy and Reunification, continued the struggle on the street and behind bars, opposing the seizure of power by the "fifth republic" military fascist clique and denouncing the barbarities of the United States in the Kwangju popular uprising.

He was arrested and imprisoned more than once because he urged the U.S. troops pullout, the obstacle to the country's reunification, and called for the establishment of a democratic government, the conclusion of a peace agreement, reunification through confederacy, etc.

He was active as the chairman of the National Congress for Democracy and Unification, the co-chairman of the National Liaison Organization for Democracy, the chairman of the United People's Movement for Democracy and Unification (Mintongnyon) and advisor to the Coalition for National Democratic Movement (Chonminnyon) in the period from 1984 to 1989.

He participated in the "World Conference for Peace and Reunification of the Korean Peninsula" in 1988 and called for the replacement of the armistice agreement with a peace agreement and the denuclearization of the peninsula.

He supported the proposal advanced by the great leader President Kim Il-song in his New Year address for 1989 for the convocation of a North-South political consultative meeting to discuss the way of reunifying the country through confederacy. And he visited Pyongyang at the risk of his life in late March that year.

While in Pyongyang, he was received by the great leader President Kim Il-song, the sun of the nation and the lodestar of national reunification, and renewed his strong faith and will for reunification.

As the advisor to Chonminnyon, he held talks with officials of the Committee for the Peaceful Reunification of the Fatherland, agreed to the removal of the political and military confrontation between the North and the South, the replacement of the armistice agreement between the DPRK and the United States with a peace agreement, the adoption of a nonaggression declaration between the North and the South, reunification through confederacy, etc. and published a joint statement.

Back to South Korea, he was arrested and jailed by the fascists. But he continued the struggle for independence, democracy and reunification. Working as the chairman of the preparatory committee for the inauguration of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) from 1991, he made strenuous efforts for national unity and peaceful reunification.

Though the old man had become weak because of many years' imprisonment, he admirably fought to the last moment of his life for the patriotic cause of reunification.

Although Rev. Mun Ik-hwan, who fought for independence and democratization of the South Korean society and for peaceful reunification of the country, passed away, his desire will be surely realised by the South Korean people and students and his patriotic spirit for reunification will always remain in the memory of the Koreans at home and abroad.

Request To Send Mourners Noted

SK2001050294 Pyongyang KCNA in English 0441 GMT 20 Jan 94

["Decision To Send Mourners' Group to Seoul on Death of Rev. Mun Ik-hwan Notified to South Side"—KCNA headline]

[Text] Pyongyang, January 20 (KCNA)—The North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) today notified the South side that it decided to send a mourners' group to Seoul on the death of the Rev. Mun Ik-hwan, a pro-reunification patriot.

This was disclosed in a telephone message sent today by Paek In-chun, chairman of the North side headquarters of Pomminnyon, to Yi Yong-tok, "minister of the Unification Board" of South Korea.

The message said:

The late Rev. Mun Ik-hwan enjoyed the love and respect of the nation as a reputed pro-reunification patriot for his many years' patriotic activities for the democratisation of society and the reunification of the country against the interference of outside forces.

Particularly, he visited Pyongyang at the risk of his life in 1989 and was received by respected President Kim Il-song, and went back after discussing the reunification question of the country with the North sides officials concerned with reunification, thus not only instilling the conviction of national reunification into the South Korean people but leaving unforgettable impressions to the people in the northern half of Korea.

It was to be regretted that when the Rev. Mun Ik-hwan was put under illegal detention after his visit to Pyongyang, we could not pay a consolatory visit to him owing to the obstructive moves of the military authorities of your side.

Love and sympathy of our people for him are getting stronger today when he passed away without seeing the day of reunification for which he longed so ardently in his lifetime.

We inform you that we decided to send a mourners' group to Seoul in order to convey the most profound sorrow of our people for the deceased.

I propose to have a contact between working officials of both sides at the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 10:00 on January 21 (Friday) to discuss practical matters concerning the visit of our group to Seoul.

I express the hope that your side will take a corresponding measure as our side plans to send two liaison officials of the North-South liaison office.

Decision To Bar Mourners Decried

SK2101110794 Pyongyang KCNA in English 1039 GMT 21 Jan 94

[Text] Pyongyang, January 21 (KCNA)—Paek In-chun, chairman of the North side headquarters of the National Alliance for the Country's Reunification, in his telephone message to the "minister of the unification board" of South Korea Thursday notified him that we were going to send a mourners' group to Seoul with a view to cherishing the memory of the Rev. Mun Ik-hwan, a patriotic champion for reunification, on his sudden death and sharing pains with the South Korean people, and proposed to have a contact between working officials of both sides at the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 10:00 AM on January 21 to discuss working matters concerning it.

But the contact between the working officials of both sides failed to be held today owing to the unjustifiable attitude of the South side.

The South Korean authorities did not come out to contact without a reply telephone message, avoiding our compatriotic and courtesy proposal for a consolatory visit under an inhuman, illegal, unjust and unreasonable pretext contrary to common sense.

The North side representatives in Panmunjom of the North-South liaison office informed the South side of our stand concerning the contact at 09;00 this morning by telephone and urged it to come out to the contact but it evaded the contact, not saying a word.

The working officials of the North side failed to discuss the Seoul visit of our mourners' group with the South side and, accordingly, the group failed to go to Seoul and mourn the late Rev Mun Ik-hwan on January 22 [as received], the funeral day, as scheduled.

The behaviour of the South Korean authorities who refused to accept the North side mourner's group this time showed that they are not human beings, far from being the same nation, and they have neither ancestral manners and customs nor courtesy and morality.

Condolences Sent to Mun's Family

SK2001114594 Pyongyang KCNA in English 1044 GMT 20 Jan 94

[Text] Pyongyang, January 20 (KCNA)—The North headquarters of the National Alliance for the Country's Reunification (Pomminnyon), the Committee for the Peaceful Reunification of the Fatherland (CPRF), the Central Committee of the Democratic Front for the Reunification of the Fatherland (DFRF), the North headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaknyon) and the Central Committee of the Korean Christians Federation (KCF) today sent messages of condolence to the funeral committee of Rev. Mun Ik-hwan, a South Korean patriotic champion of national reunification.

The messages expressed deep condolences to the bereaved family and the members of the funeral committee over the death of Rev. Mun Ik-hwan, who devotedly struggled for independence, democracy and reunification.

The CPRF said that though he passed away, the feats he performed for national reunification and his patriotic spirit would always remain in the memory of the Koreans in the North and the South struggling together for reunification in the '90s.

The C.C., DFRF expressed the belief that the South Korean people and students desirous of national reunification would turn their grief at the loss of a standard-bearer of the movement for reunification and democracy into the will for reunification and invigorate the patriotic struggle for independence, democracy and reunification.

Former war correspondent of the Korean People's Army Yi In-mo, the incarnation of the faith and will, also sent a message of condolence to the bereaved family of Rev. Mun.

Recalling that Rev. Mun visited him in sickbed at the hospital of the Pusan University last year and told him that they would meet each other again after the reunification of the country, he expressed the hope that the desire for reunification cherished by Rev. Mun in his lifetime would be realised.

Smear Campaign of North by South, Japan Alleged

SK1901144394 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 19 Jan 94

[Commentary by Yun Pyong-son: "Smear Campaign Seeking Insidious Purpose"]

[Text] Lately a new smear anticommunist campaign against our Republic is being viciously carried out in South Korea and Japan.

According to a report, the South Korean puppets, on the premise that a missing military secret document might be handed over to the General Association of Korean Residents in Japan [Chongnyon] through South Korean students studying in Japan, launched an investigation.

Timed to coincide with this, the Japanese reactionaries loudly talk about the export of a spectrum analyzer that can be converted to military use, including upgrading the precision of hitting targets and the possibility of using it in our missiles. They also spread a rumor through the media that the Japanese Police Department suspects that a Kanagawa Prefecture-based trading company, specializing in deals between Tokyo and Pyongyang, exported the spectrum analyzer.

This is another premeditated and intentional fabrication of the South Korean puppets and Japanese reactionaries, who are experts in smear campaigns and who say black is white and report what is not existent as existent.

Claiming that a military secret document that was sent to a national assemblyman of the United People's Party disappeared, the puppets launched an investigation of relevant figures. During a press interview, however, this assemblyman said that he did not know that such a document was sent from the Ministry of National Defense [MND] nor was he aware of a request to return the document..He noted that when the Defense Security Command requested his signature on the document of conclusion of investigation, he refused to sign because there was no reason for this. He added that the MND's hasty announcement of the incident is suspicious.

Assuming that the lost document might be handed over to Chongnyon, the puppets preposterously attempted to link this with us. This fact alone shows how foolish and ugly this smear campaign is.

That the Japanese reactionaries slandered us and Chongnyon by talking about the export of a spectrum analyzer and a possibility of its use is indeed ridiculous.

The fact illustrates that the South Korean puppets and Japanese reactionaries, just as they frantically ran amok with anti-Republic commotions on the pretext of our fictitious so-called nuclear problem, conspired the current smear campaign in collusion.

Then, why did the South Korean puppets and Japanese reactionaries spread a new rumor on suspicion, which can convince no one, by slandering us and Chongnyonm who have nothing to do with this?

As is known to all, the Kim Yong-sam puppet clique and Japanese reactionaries have persistently maneuvered to block the progress in the DPRK-U.S. talks by spreading a rumor on suspicion of our fictitious nuclear weapons development. On the pretext of suspicion of our nuclear development, they also pursue an aim to accelerate their own nuclear armament.

Our peaceful nuclear policy has been proven to be innocent as time passes, while the criminal nature of their anticommunist smear campaign has been more clearly revealed. In particular, in the DPRK-U.S. contact held in New York at the end of 1993, the two sides agreed to hold the third round of talks and to settle in a package [ilgwal tagyol] the issues for essential solution of the nuclear issue. As a result, a breakthrough was opened for progress in the talks that were deadlocked.

Embarrassed by this, the Kim Yong-sam puppet clique and Japanese reactionaries are attempting to block the third round of DPRK-U.S. talks at any cost by bringing forward a nuclear and missile threat and by fabricating a rumor on a new suspicion.

In addition, they are pursuing a sinister purpose of alienating Chongnyon from us and of working out a new pretext for repression of Chongnyon.

Such a foolish fabrication drama cannot convince anyone. Rather, this will only reveal their ugly nature more clearly. The rascals can gain nothing from an anti-Republic smear campaign.

The South Korean puppets and Japanese reactionaries should abandon sinister aims and immediately stop this anti-Republic smear campaign.

Paek Han-ki Makes Statement

SK2001042794 Pyongyang KCNA in English 0411 GMT 20 Jan 94

[Text] Tokyo, January 18 [dateline as received] (KNS-KCNA)—Paek Han-ki, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, in a statement today bitterly denounced the anti-DPRK smear campaign of the Japanese authorities and urged them to stop the hostile acts at once.

The Japanese authorities recently launched a probe into a trading firm of Japan "suspected of violating the regulations of the Coordinating Committee for Multilateral Export Controls (Cocom)" and are conducting a despicable anti-DPRK campaign, connecting the case with the innocent DPRK in a far-fetched way.

The vice-chairman branded this as an utterly groundless fabrication to impair the dignity and prestige of the DPRK and another shameless political intrigue, which shows the true colour of the Japanese authorities who resort to hostile propaganda, reversing black and white.

He said:

"At a time when the DPRK and the United States are moving toward a package solution of the problems for a fundamental settlement of the nuclear issue on the Korean peninsula thanks to the self-determined and aboveboard diplomatic policy of the DPRK, the Japanese authorities have launched a new smear campaign against the DPRK. This is an unpardonable challenge to throw a wet blanket over the progress of the DPRK-U.S. talks and isolate and blockade the DPRK. This is also an anachronistic act against the world public that wish the solution of the nuclear issue on the Korean peninsula and the improvement of the DPRK-U.S. relations through dialogue and negotiation.

"With no pressure and plot can the international reactionaries and the Japanese authorities undermine the international prestige of the DPRK or block the advance of the Korean people.

"The Japanese authorities must look straight at the trend of the times and immediately stop the smear campaign and hostile acts against the DPRK."

South's Positioning of Gun Inside DMZ Alleged

SK2001125294 Pyongyang Korean Central Broadcasting Network in Korean 1216 GMT 20 Jan 94

[Text] The South Korean puppets today brought a large-caliber gun into the DMZ in the western front line, thus committing a grave military provocation.

At around 0920 today, the South Korean puppets illegally brought and installed a 105-mm large-caliber gun 1,800- meters east of the Military Demarcation Line [MDL] Marker 0038 in front of Tongchang-ri, Panmun County, Kaesong City, from the direction of Paengnyong-ri, Paju County. They assumed the firing position toward our side and gravely irritated us.

That the South Korean puppets openly brought a large-caliber gun into the DMZ in broad daylight is a preplanned provocation maneuver designed to artificially aggravate the situation in this area where armed forces of the two sides are being deployed acutely.

Since such military provocation is perpetrated at a time when the U.S. imperialists and bellicose elements in the puppet military recently made frequent visits to the areas in the foremost frontline and instigated the frenzy for northward invasion, we cannot overlook this provocation.

The South Korean puppets should correctly ponder the grave consequences to result from arms buildup maneuvers in the DMZ. They should not act rashly.

North's Pomminnyon Supports Overseas Proposal

SK1501113494 Pyongyang KCNA in English 1038 GMT 15 Jan 94

[Text] Pyongyang, January 15 (KCNA)—The North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) declared it would positively contribute to the achievement of great national unity and the noble cause of the country's reunification, keeping pace with the patriotic movement of Koreans in the South and overseas for great national unity.

In a statement released today, the Central Committee of the North side headquarters of Pomminnyon highly estimates and fully supports a proposal and call of the overseas Koreans' headquarters of Pomminnyon for setting this as a "year of great national unity" for national reunification.

Noting that the proposal and call are very just and timely both in view of the nature of the national reunification question and the desire of the fellow countrymen for great national unity and they will help convincingly promote the reunification in the '90s, the statement says:

"The North side headquarters, in hearty response to the proposal of the overseas Koreans' headquarters, will vigorously struggle shoulder to shoulder with Koreans overseas to achieve great unity of the nation this year.

"Regarding the Kim Yong-sam group as the foe of great national unity, it will staunchly struggle against it and, in this way, actively promote great national unity with Koreans in the South and overseas.

"We hold that anybody must refrain from rejecting Pomminnyon, a pan-national umbrella organization for great national unity and the reunification of the country, and join in the patriotic movement for reunification."

Cultivation of Reclaimed Tideland Reported

SK2001113694 Pyongyang KCNA in English 1010 GMT 20 Jan 94

[Text] Pyongyang, January 20 (KCNA)—The reclamation of tideland is briskly going on in Korea, expanding the area under cultivation.

Some time ago, the final damming of the tideland of Chongsu island in South Hwanghae Province was completed to bring 1,000 hectares of tideland under cultivation. Last year saw the reclamation of 3,300 hectares of Kumsong tideland.

The three farms which made their appearance in the Kwaksan tideland in North Pyongan Province reaped a rich crop in their first year's farming. These tideland-turned fields have a favourable condition for comprehensive mechanisation of paddy farming. Their irrigation networks are also flawless.

Korea, which has a limited arable land with mountains occupying the greater part of its area, has directed big efforts to tideland reclamation, steadily increasing the investment in it.

Tideland reclamation has been pushed ahead in various areas on the west coast. As a result, a hundred and scores of islets have been linked with the land, the length of the coastline has been drastically shortened and over 80 fishing ports have moved to the skirts of the outstretched land.

A number of farms have appeared in the tideland-turned fields. Modern socialist villages with fashionable residential houses have cropped up in the former tideland of

Yomju county and Tasa island in North Pyongan Province. Tideland farms with a thousand and several hundred hectares of arable land each have come into being in Onchon, Chungsan, Pyongwon, Sukchon and other areas of South Pyongan Province. South Hwanghae Province has several tideland farms.

The fields of the Yangji and Namhae cooperative farms situated in the vast tideland-turned field of Unchon county have been arranged for mechanized farming.

Last year, the June 3 and Ansok cooperative farms in Onchon county and many other farms in former tideland reaped more than 8 tons of grain from each hectare.

'Serious Crisis' of 'Imperialists' Described

SK1501110794 Pyongyang KCNA in English 1014 GMT 15 Jan 94

["Imperialism Near Its Doom"—KCNA headline]

[Text] Pyongyang, January 15 (KCNA)—The imperialists are bluffing, holding forth about the "end of socialism," but it is none other than imperialism that is approaching its doom, says NODONG SINMUN in a by-lined article today. The article says: This is well illustrated by the serious crisis the imperialists now are undergoing.

Above all, socio-class antagonisms have grown worse in the imperialist countries because of the reactionary and corrupt nature of the capitalist system.

The capitalist political system is a political system and order which was framed up by a handful of the capitalist class to oppress and exploit the popular masses who account for an overwhelming majority of the population. Hence, the class antagonisms between the reactionary ruling class and the popular masses are increasing day by day.

In 1992 alone violent protests of dissatisfied workers against the reactionary policy of the government took place in the United States on 111,000 occasions. This graphically shows to what extent the socio-class antagonisms have gone in imperialist countries.

With the money-is-everything tendency fully reflected in politics, plutocracy is holding sway in capitalist society. In Japan, the cabinet had to resign and the Diet was dissolved before the expiry of its term repeatedly due to bribery cases involving political circles including the "Lockheed scandal".

Economic crisis is deteriorating in imperialist countries.

The annual federal financial deficits of the United States are more or less 300 billion dollars and the state debts far exceed 4,000 billion dollars.

The economy in Britain, Japan, Germany, France and other countries is also floundering like a ship in distress. Japan is now in the grip of worst depression since World War II, which gives a glimpse of the society of this country seized with uncontrollable uncertainty for the future.

The serious crisis of the imperialists is also manifested in all cases of corruption and social vices rife in these countries.

The United States called the "drug kingdom" has more than 30 million addicts.

Violent criminal cases like murder and robbery are getting more uncontrollable in the imperialist countries.

The imperialists, with false propaganda about the "end of socialism," are trying to divert elsewhere the public attention from the serious crisis of destruction they are now undergoing, cause ideological vacillation among the revolutionary people of the world who aspire after independence, progress and socialism and to break their faith in socialism so as to stem the tide of history. But this is a foolish dream.

"Talk" Urges Self-Reliance, 'Fortitude'

SK2101012994 Pyongyang Korean Central Broadcasting Network in Korean 0630 GMT 20 Jan 94

["Unattributed "talk": "The Militant Slogan Our People Should Uphold This Year"]

[Text] Our people throughout the country are now overflowing with hope and conviction to conduct new struggles by upholding the great leader Comrade Kim Il-song's New Year address. In his New Year address, the great leader presented the militant slogan our people should uphold.

The great leader Comrade Kim Il-song has taught: We must effect a new upturn in socialist construction by overcoming difficulties and by displaying the revolutionary spirit of self-reliance and fortitude more highly.

With the revolutionary spirit of self-reliance and fortitude, let us vigorously accelerate the grand socialist march. This is the call of our party, as well as the militant slogan our people must uphold today.

Self-reliance and fortitude mean a resolute revolutionary position to carry out endlessly the revolution and construction by our own might, as well as an indomitable spirit of struggle to adhere to the revolutionary banner in defiance of any difficulties and obstacles.

The display of the dignity and honor of the country and nation depends on self-reliance and fortitude. Even the way to build the most consolidated and vital socialism depends on self-reliance and fortitude.

With the revolutionary spirit of self-reliance and fortitude, let us vigorously accelerate the grand socialist march. This slogan is the militant one that our people must uphold today because we can overcome various challenges and obstructive maneuvers by the imperialists and reactionaries and resolutely safeguard and adhere to socialism of our own style only if we uphold it.

As soon as socialism collapsed in various countries throughout the world, the imperialists and reactionaries strengthened their unprecedented offensives in all fields—political, economic, military, and diplomatic—to isolate, suffocate [chilsik], and crush [apsal] our Republic, which is advancing under the socialist banner.

Because of the enemies' anti-Republic and antisocialist maneuvers, the situation in our country have been aggravated and complicated. Also, a great number of obstacles have been created on the road ahead of us.

For all people to accelerate on the grand socialist march with the revolutionary spirit of self-reliance and fortitude will be a firm guarantee in smashing challenges by the imperialists and reactionaries and in resolutely safeguarding and adhering to socialism of our own style.

Socialism of our own style is the chuche socialism built by our people's own might under the wise leadership of the party and the leader [suryong]. This means that we must solve all problems in the socialist construction by our own might and from the chuche stance in any difficult conditions.

The people, who highly display the revolutionary spirit of self-reliance and fortitude, can keep their dignity and honor under any adversity, but the people, who fail to display it, will easily give in to the difficulties and trials and be doomed to ruin.

Even last year, the imperialists and reactionaries applied pressure on various fields to crush [apsal] our Republic.

We accelerated the socialist general march, however, by highly displaying the revolutionary spirit of self-reliance and arduous struggle and by rising as one with firm determination, not yielding to any maneuver, under the wise leadership of the party and the leader. Thus, we defended the supreme interest of the nation and people and safeguarded and protected our-style socialism.

Experience shows that when we vigorously carry out the socialist general march by displaying the revolutionary spirit of self-reliance and arduous struggle, we can resolutely crush various challenges and disturbance maneuvers of the imperialists and reactionaries, can staunchly defend and protect our-style socialism, and can firmly safeguard dignity and honor of the nation.

"Let us vigorously accelerate the socialist general march with the revolutionary spirit of self-reliance and arduous struggle"—this is a militant slogan that our people should uphold. Only when we uphold this slogan, can we thoroughly implement our party's revolutionary economic strategy and further glorify our-style socialism.

In his New Year address, the great leader Comrade Kim Il-song put forward as a strategic task the implementation of agriculture-first, light industry-first, and trade-first policy during the three-year adjustment period by giving priority to the coal industry, the electricity industry, and railway transport—the precedence domains in the national economy—and continuous development of the metal industry.

We will thoroughly implement our party's revolutionary economic strategy during the adjustment period of socialist economic construction, and thus will firmly consolidate the foundation of the nation's self-supporting economy. We will more satisfactorily ensure the people's living standard in compliance with the demand of socialism and will hold a new offensive position to occupy the greater height of socialism.

Displaying the revolutionary spirit of self-reliance and arduous struggle by our people is an important demand for implementing the party's revolutionary economic strategy.

This year we should continuously adhere to the agriculture-first, light industry-first, and trade-first policy. This year, which marks the 30th anniversary of publication of the rural thesis, we should vigorously carry out the struggle to accomplish the historic task of the rural thesis and should effect a new turn in the development of rural economy. Thus, we should attain without fail the lofty target of grain production put forward by the party.

At the same time, by vigorously accelerating the light industry revolution, we should effect great innovations in the production of consumer goods and should develop external trade in compliance with changing circumstances.

For us to develop agriculture and light industry and to vigorously accelerate the nation's overall economic construction, we should direct our strength to the coal, electricity, and metal industry, and should more satisfactorily establish railway transport.

The tasks for implementing the party's revolutionary economic strategy are indeed gigantic. The road for successfully carrying out these grave tasks is to more highly display the revolutionary spirit of self-reliance and arduous struggle.

Only when we wage the struggle to carry out our party's revolutionary economic strategy based on the revolutionary position to rely on our own strength, technology, and natural resources, can we successfully accelerate socialist construction. This proves that when we advance by highly upholding the slogan on accelerating the socialist general march with the revolutionary spirit of self-reliance and arduous struggle, we can further glorify our-style socialism by thoroughly implementing our party's revolutionary economic strategy.

What is important in effecting a new revolutionary upsurge in socialist construction under the revolutionary banner of self-reliance is for all party members and working people to fight staunchly with the spirit of adding the speed of the nineties to Chollima.

All party members and workers should advance and advance again and should struggle and struggle again with the tenacious Chollima spirit cherished by the working class in Kangson, which produced 120,000 tons of steel billet from the blooming mill with only a 60,000-ton capacity when everything was short and difficult, and with the militant spirit with which they manufactured modern machinery with their own strength through arduous struggle.

For all people to vigorously accelerate the socialist general march with the revolutionary spirit of self-reliance and arduous struggle, we should, above all, have firm resolution and determination to safeguard to the last and glorify the socialist banner with our own strength by trusting this strength.

Our people will not abandon our independent position even if someone else applies pressure on us, nor will we rely on others in the face of difficulty.

Our people's will to nurture the socialist ideal on this land with our own strength, wisdom, and natural resources will not change today and in the future. All party members and working people should more firmly assume the thoroughgoing position to carry to accomplishment the chuche socialist cause to the end with our own strength, and should vigorously accelerate the socialist general march with the revolutionary spirit of self-reliance and arduous struggle.

South Korea

U.S. Reportedly To Sell Defective F-16 System

SK2001020994 Seoul TONG-A ILBO in Korean 20 Jan 94 p 1

[Report by Washington-based correspondent Nam Chan-sun]

[Text] The BALTIMORE SUN of 15 January reported that the U.S. Defense Department has approved the sale to the ROK of a very defective electronic jamming system for F-16 fighters.

This electronic jamming system was jointly produced by the U.S. firm Westinghouse and ITT [expansion unknown]. However, its actual combat performance tested in 1992 failed to show satisfactory results, leading the U.S. Defense Department to cancel its contract to buy the system.

While noting that the F-16's which the ROK is set on purchasing are supposed to be equipped with this system, the BALTIMORE SUN did not specify the price or number of systems the ROK will purchase from the United States.

The paper said that the U.S. decision to sell this system to the ROK was noted in the letter which U.S. Deputy Secretary of Defense William Perry recently sent to the ROK defense minister. The system was developed as a self-defense system to protect the fighter plane from a radar-guided arms attack of an enemy.

No IAEA Team Unless DPRK Opens Seven Sites

SK2001021194 Seoul YONHAP in English 0152 GMT 20 Jan 94

[Text] Vienna, Jan. 20 (YONHAP)—The International Atomic Energy Agency (IAEA) has warned North Korea that it will not send a team of inspectors unless Pyongyang meets its inspection requirements at the seven declared nuclear sites.

In a fourth working-level meeting, the U.N. nuclear watchdog agency Wednesday urged North Korea to submit to all inspections as stipulated by the nuclear safeguards pact and explained why they are required.

After the meeting, IAEA Spokesman Hans Meyer said that although North Korea had agreed on many items of inspection that the IAEA had proposed in a meeting Monday, it still balked at a considerable number of items.

The IAEA told North Korea clearly that it would push through the items it refused to accept, he added.

In order for the inspections to be meaningful, North Korea has to meet the detailed and reasonable inspection requirements of the IAEA, he stressed.

The position of the IAEA is that unless North Korea agrees on all the inspections of its seven declared nuclear sites under the nuclear safeguards regime, the IAEA will not send an inspection team to North Korea, and this position has been clearly conveyed to Pyongyang, he said.

The IAEA hopes that North Korea will accept the inspections of its declared nuclear sites as requested, Meyer said.

Commenting on inspections of two undeclared sites in Yongbyon that are suspected of being nuclear waste processing facilities, he said access to these facilities for additional information would be dealt with separately.

The IAEA and North Korea will have another working-level meeting in Vienna next week, an IAEA source said.

North Korea has agreed, in principle, on inspections of its seven declared nuclear sites but refused to accept some inspection items at two problem sites, a radiochemical laboratory and a five-megawatt reactor, such as examination of chemical substances used there, other sources said.

Diplomats Comment on DPRK 'Nuclear Card'

SK2001015594 Seoul YONHAP in English 0132 GMT 20 Jan 94

[Text] Beijing, Jan. 20 (YONHAP)—North Korea is most unlikely to surrender its "nuclear card" in its endless tug-of-war with the International Atomic Energy Agency (IAEA) over nuclear inspection unless it is guaranteed diplomatic relations with the United States, eastern European and Western diplomats in Beijing said Wednesday.

There are some optimistic views in the capitals of South Korea, the United States and Japan that Pyongyang is approaching a limit in its diplomatic hide-and-seek over the nuclear problem, and may drop the nuclear card and instead try flexibility by announcing an open policy, which the diplomats said was "dangerous and utterly wishful thinking."

North Korea's acceptance in recent talks with the United States of international nuclear inspections is simply a tactical move to get the South Korea-U.S. "Team Spirit" military exercise suspended and therefore cannot be regarded as a basic change in attitude, they said.

Pyongyang is well aware that Washington will raise the question of human rights after the nuclear issue is settled, threatening a peaceful transfer of power from Kim Il-song to his son, Kim Chong-il.

With that in mind, the Stalinist regime will not bare all of its nuclear sites nor give up its nuclear program unless it is sure not only that it is out of danger of economic sanctions from the United States and the Team Spirit drill has been stopped, but also that it is guaranteed diplomatic normalization with Washington and Tokyo, recognition and support for its communist regime, and economic aid, they said.

Pyongyang, which displayed sophisticated diplomatic maneuvering with its surprise withdrawal from the nuclear Non-proliferation Treaty in March last year, is apparently well aware of the fact that Washington is worried North Korea's nuclear development might cause Seoul and Tokyo to go nuclear as well. The communist country seems to have decided that the United States may find it to be a hard work to apply military threats against it, the diplomats speculated.

A senior South Korean diplomat, agreeing with these views, said that North Korea will not give up its nuclear card unless it wins diplomatic recognition from Washington and a safety guarantee for its communist regime.

Beijing knows this, he said, and is limited in its ability to persuade Pyongyang.

If the prerequisites are not met, North Korea is unlikely to change to an open policy as many expect and the current situation shows that the leadership is in no hurry to resolve the nuclear issue and prepare for openness, he said.

An eastern European diplomat said that a friend in Pyongyang had told him that North Korea is weighing whether to pursue peace or wage war over the nuclear problem, and that some citizens and soldiers are prepared to fight the perceived enemy.

North Asks To Send Condolence Team for Mun

SK2001035094 Seoul KBS-1 Radio Network in Korean 0320 GMT 20 Jan 94

[Text] Paek In-chun, chairman of North Korea's National Alliance for the Country's Reunification [Pomminnyon], sent a telephone message to Deputy Prime Minister and Unification Minister Yi Yong-tok today. He revealed in the telephone message that North Korea would send a condolence team on the death of Rev. Mun Ik-hwan and proposed that a working-level contact be held tomorrow to discuss the issue of sending a condolence team to Seoul.

Referring to the mounting affection and sympathy of the North Korean people for Rev. Mun Ik-hwan who died without seeing the realization of reunification for which he worked throughout his life, Paek In-chun said that North Korea would send a condolence team to Seoul. Paek In-chun then proposed that a working-level contact be held in Panmunjom tomorrow morning to discuss this issue.

DPRK Group Not Allowed at Bier

SK2001085494 Seoul KBS-1 Radio Network in Korean 0805 GMT 20 Jan 94

[Text] Today North Korea proposed in a telephone message that it would send a condolence team of the National Alliance for the Country's Reunification [Pomminnyon] to the bier of the late Rev. Mun Ik-hwan, but the government has decided not to accept it.

National Unification Board spokesman Kim Hyong-ki said in a commentary issued this afternoon that because Pomminnyon is defined as an organization benefiting the enemy in accordance with a final ruling made by the Supreme Court in 1992, and because of the aggravated situation between North and South Korea caused by the North Korean nuclear issue, North Korea's proposal would not be helpful to improving North-South relations at all. According to this judgment, the government has decided to refuse the proposal.

DP Supports Businessmen's Visit to DPRK

SK1401092494 Seoul HANGUK ILBO in Korean 14 Jan 94 p 2

[Text] On 13 January, the Democratic Party [DP] held a policy seminar at the hall of lawmakers. This seminar entitled "The Prospect for the North Korean Nuclear Issue and North-South Relations" was sponsored by the party policy committee.

In the seminar, lawmaker Pak Sil said that "because there is a possible breakthrough in the settlement of the nuclear issue as a result of North Korea's acceptance of the nuclear inspection by the International Atomic Energy Agency, the government must allow businessmen to visit North Korea."

He predicted that "because this year is the year in which there is no election in South Korea, in which the Kim Yong-sam government can strengthen its power, and in which North Korea can consolidate the transfer of power from Kim Il-song to his son, it is possible for the North and South to create conditions for the North-South summit talks."

Status of DPRK's Kim Yong-sun Reviewed

SK1401091494 Seoul CHOSON ILBO in Korean 14 Jan 94 p 5

[By An Hui-chang]

[Text] Various observations on the current status of Kim Yong-sun, who has been known to have been a secretary in charge of North Korea's policy on South Korea, attract public interest.

On 10 January, some foreign sources reported that Kang Chu-il, first deputy director of the Reunification Front Department of the Workers Party of Korea, had been appointed secretary in charge of policy on the South and that Kim Yong-sun came to take charge of policy on the United States.

Prior to this, in the middle of November 1993, it was observed that "Kim Yong-sun had been ousted and had not yet been appointed to any position." In fact, Kim had not been engaged in any external activity until the time he met Australian nuclear expert Peter Heiz [as transliterated] in July 1993, thus making the observation convincing.

In early December of last year, however, when the sixth session of the Ninth Supreme People's Assembly of North Korea was held, it was confirmed that Kim had been eliminated from the list of candidate members of the Political Bureau of the party Central Committee but still remained as secretary in charge of policy on the South. This enabled people to reach a conclusion on the various observations on Kim's status.

However, a recent report by foreign sources that Kim has been appointed to the post in charge of U.S. policy has prompted various new observations.

First, the ROK's Board of National Unification has denied the report that Kim quit the post in charge of policy on the South.

An official concerned denied the report on Kang Chu-il's appointment as secretary in charge of South Korean policy, saying that "It is usual for a party secretary to be member of the party Central Committee. However, there has been no report that Kang has been appointed member or candidate member of the party Central Committee since 1980." Another official concerned pointed out, "North Korea has never appointed a director-level official to be secretary of the party."

Accordingly, observers say that the rumor on Kim's dismissal from the post in charge of South Korean policy has been created because Kang practically exercises authority in making policies on South Korea although Kim maintains his title as secretary in charge. This is persuasive. They say that they have actually observed signs of Kim's declining power since 1992.

According to a Board of National Unification official, a Japanese figure, who visited North Korea and met Kim at that time, told him that "Kim Yong-sun once promised me to arrange a meeting with Kim Chong-il and seemed very confident. In the recent meeting with me, however, he looked somewhat weak [daso himi ppajindutan]."

Also related to this is the fact that he, as a candidate member of the Political Bureau, was downgraded from ranking No. 15 to No. 26 in the party hierarchy late last December.

In view of the fact that North Korea considers the improvement of relations with the United States to be an urgent question, however, it is possible that North Korea created the new post in charge of U.S. policy so as to assign Kim, who had played the role of a conduit with the United States, to a certain duty. Judging from this and the fact that Hwang Chang-yop has recently sent an invitation to lawmakers of the Social Democratic Party of Japan, analysts say that Hwang Chang-yop, as secretary in charge of international relations, is completely in charge of policy on Japan, and Kim Yong-sun, an authority on U.S. affairs, takes complete charge of policy on the United States, while Kang Chu-il takes charge of practical business on the South.

Kim Shows 'Desire' To Improve North Relations

SK2001062594 Seoul YONHAP in English 0610 GMT 20 Jan 94

[By Kim Tae-yong]

[Text] Seoul, Jan. 20 (YONHAP)—President Kim Yong-sam's view of North Korea and unification seems little different from those of his predecessors, but he does have a stronger desire to improve inter-Korean relations than they did.

Kim clarified this view on Thursday, after a policy briefing from Unification Minister Yi Yong-tok.

In the current international situation, where every country is competing fiercely, the Korean people cannot survive unless they realize unification as soon as possible, he told Yi.

Kim instructed his minister to develop inter-Korean relations so that a South-North Korean commonwealth is established during his term in office, which ends in February 1998.

Although he is eager to see inter-Korean relations improved, he has one condition: Settlement of the North Korean nuclear problem.

"The government should solve the nuclear problem, which is blocking improvement of inter-Korean relations, this year without fail to revitalize inter-Korean reconciliation and cooperation," he told Yi.

Once the nuclear problem is solved, the government should push ahead with the promotion of mutual interests and improvement of relations, Kim said.

"First of all, the government should make a breakthrough in solving the nuclear problem through an exchange of special envoys, and then it should push ahead with exchange and cooperation with North Korea," he said.

Inter-Korean relations were cool last year because of the suspicions about North Korea's nuclear development program.

Kim told Yi that he was sure that North Korea had no choice but to change its policies soon, and said that the government should use the change as an opportunity to improve inter-Korean relations.

Since North Korea is in a very difficult situation at home and abroad, it cannot avoid changing its policies. When North Korea begins to show a willingness to solve the nuclear problem, the international situation surrounding the Korean peninsula will change rapidly, he said.

The government should use the change for a stable improvement in inter-Korean relations and, ultimately, to realize peaceful unification.

"For those goals, the National Unification Board should push ahead with diverse inter-Korean talks and North Korea policies," Kim said.

He reassured Yi that he will not seek absorption like in Germany, but warned him that the people should guard against sentimental theories of unification.

Defense Ministry Plans 'Future-Oriented' Policy

SK2001035994 Seoul YONHAP in English 0311 GMT 20 Jan 94

[Text] Seoul, Jan. 20 (YONHAP)—The Defense Ministry has decided to build up military preparedness as there is a strong possibility of North Korean provocation in 1994-95.

The ministry has also decided to push a future-oriented defense policy in anticipation of a unified Korea in the 21st century while designating "five large military reform tasks" to respond to President Kim Yong-sam's call for reform and the creation of a new Korea.

The decisions are outlined in the ministry's report on its programs for 1994, submitted Thursday by Defense Minister Yi Pyong-tae to President Kim Yong-sam at a conference room of the Ministry.

Yi said that North Korea completed preparations for war in 1993 and designated 1995 as the year for unification of the country. Therefore, if the nuclear issue runs into a dead-end in 1994-95 or the Kim Il-song regime is threatened, North Korea could attempt a military provocation in order to find a way out.

Against tension being built up by North Korea in connection with the nuclear issue, Yi said, South Korea is maintaining standby measures in close coordination with the United States.

South Korea and the United States have a solid joint defense posture against any kind of North Korean armed provocation since the United States has worked out a new military strategy, Yi told the president.

Moreover, the ministry, taking possible security situations in the 21st century into consideration, is promoting equidistant and cooperative relations with China, Japan, and Russia, Yi said.

In addition, the ministry will try to reorganize and transform South Korea's military from a manpower-based force into a technology-intensive and quality force by strengthening military technological education, Yi said.

He said the ministry will continue to carry out reform while internationalizing and globalizing national defense policy.

After receiving the report, President Kim instructed ministry officials to effectively manage the nation's defense resources and train all military personnel so that they can ensure a scientific management of the military force in the future.

"In order to do this, the ministry should develop new personnel management and undertake a systematic training program," Kim said.

Kim also urged the ministry to continue self-cleansing efforts to be reborn as a new military and undertake mesures to keep "the transparency" of defense projects and their effectiveness.

Following the report, Kim had lunch with senior military officers.

The president noted some concern that public opinion is sharply critical of the military because of a number of irregularities exposed in recent months.

The military has impressed the public deeply with the selfless dedication and sacrifice it demonstrated in a couple of disasters—the Asiana jetliner crash near

Mokpo, South Cholla Province, and the sinking of the Sohae-ho ferry in the West Sea, off Kunsan.

The entire military should not be judged on the basis of a few irregularities committed by a very limited number of people, Kim said.

NUB Minister Reports on Unification Policy

SK2001025994 Seoul YONHAP in English 0217 GMT 20 Jan 94

[Text] Seoul, Jan. 20 (YONHAP)—Deputy Prime Minister Yi Yong-tok said Thursday that he expects a turning point for improvement of inter-Korean relations this year.

He expected progress in inter-Korean dialogue, exchange and cooperation this year, although it depends on what North Korea does to solve its nuclear problem, Yi told President Kim Yong-sam in a briefing on New Year's programs of the National Unification Board (NUB).

Yi, who is also national unification minister, told Kim that the government will hold fast to its principles, including solution of the North Korean nuclear problem, before seeking practical progress in inter-Korean relations.

The government will actively seek to solve the problem of separated families through international organizations such as the United Nations and to discuss with the North sending a unified team to the Hiroshima Asian Games.

"If the government finds a breakthrough for solution of the North Korean nuclear problem, it will allow businessmen to visit North Korea and actively participate in North Korea's plan to develop the Najin-Sonbong region," he said.

"It is inevitable for North Korea to change its policy toward openness because Pyongyang has to find a way out of the crisis caused by economic difficulties, diplomatic isolation and people's skepticism about the North Korean system.

"North Korea will agree to inter-Korean dialogue in a bid to have access to the United States," he added.

Yi said that the NUB will improve its organization to play its role fully in controling and adjusting unification policy as well as working out a measure in preparation for an exchange of special envoys.

The board will give concrete shape to its three-stage unification plan this year, he said.

In the first stage of the plan (reconciliation and cooperation), the two Koreas implement the basic agreements and joint declaration for denuclearization of the Korean peninsula.

In the second stage, they organize a South-North confederation.

In the third stage, the nation is unified under a new constitution and general elections are held.

Ministries Discuss 1994 Antiespionage Operations

SK2101072094 Seoul YONHAP in English 0703 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—Anti-espionage operations in 1994 will focus on increasing the preparedness for immediate reaction to unconventional warfare, strengthening the total defense system and developing training programs for special forces.

This was decided at an anti-espionage operations meeting led by Joint Chiefs of Staff Chairman Gen. Yi Yang-ho at the Defense Ministry on Friday. Attending were representatives of the Defense and Home Ministries, the Agency for National Security Planning and related government agencies.

North Korea has designated 1995 the first year of its unification struggle, and has increased propaganda and agitation campaigns for its armed forces and people to prepare for war, Yi told the meeting.

"In the coming year, in particular, North Korea is expected to continue its nuclear development program for the maintenance of the socialist system, increase its war preparedness and step up its effort to create a revolutionary climate in South Korea under a strategy to unify the Korean peninsula under communism," he said.

A loose sense of national security is seen in some quarters of society where the possibility of North Korea provoking another war is regarded as an unfounded fear, he said.

He then stressed the need for the people, the government and the military to strengthen the total defense system and increase the preparedness for immediate response to provocations by North Korea.

DPRK's Possible Improved Ties With West Viewed

SK2101025794 Seoul YONHAP in English 0249 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—South Korea is prepared for the possibility that North Korea will improve its relations not only with South Korea but also with Western nations when its nuclear issue is solved.

If the nuclear problem is settled, inter-Korean relations will rapidly improve and at the same time North Korea's relations with Western nations will make considerable improvement, unification minister Yi Yong-tok told the Advisory Council on Democratic and Peaceful Unification on Friday.

The government has a set of measures to prepare for such a possibility, he said.

"North Korea will guardedly seek to open its doors on a limited scale so that the open-door policy doesn't stand in the way of maintaining its political system," he said. "And I think the North Korean nuclear issue will be solved in a manner desirable to us, though the timing is a question."

He stressed the need for a positive posture toward North Korea.

"We must now slough off the negative and passive view of North Korea we held in the past and take a positive posture toward desirable change in North Korea."

He warned against inter-Korean dialogue for dialogue's sake or for show.

"We must now strive to hold a dialogue that will be of substantial help to solving the problem."

Russia Intelligence Chief's 'Secret' Seoul Visit

SK2101122894 Seoul YONHAP in English 1218 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—Director Primakov of the Russian external intelligence department made a secret visit to Seoul at the end of last year, an informed source said on Friday.

The source said Primakov, whose department is the successor to the KGB of the fromer Soviet Union, was invited by Kim Tok, director of the Agency for National Security Planning (NSP).

He said that during his stay in Seoul, Primakov met President Kim Yong-sam and other government leaders to discuss broad-ranging matters of mutual interest such as the North Korean nuclear question, inter-Korean relations and the overall Korean situation.

At his meeting with Kim Tok, the two discussed ways to promote cooperation between their intelligence organizations, the source added.

Russian Assurance on DPRK-Bound Submarines

SK2101090394 Seoul KBS-1 Radio Network in Korean 0807 GMT 21 Jan 94

[Text] The submarines which Russia has sold to North Korea recently were confirmed to be decommissioned submarines without any strategic value.

A relevant Foreign Ministry official revealed that the Russian Government informed our government that the submarines that Russia recently sold to North Korea were decommissioned submarines from which weapons and equipment were all removed. Therefore, these submarines were sold in accordance with a commercial contract, not a contract for weapons supply, and this contract prescribed that the Russian side will inspect the work of dismantling the decommissioned submarines.

Questions Asked on Submarine Sale

SK2101023994 Seoul YONHAP in English 0226 GMT 21 Jan 94

[Report by Kim Hung-sik]

[Text] Moscow, Jan. 20 (YONHAP)—Are the submarines that Russia is selling to North Korea worth only their value as scrap iron?

Despite an official clarification by the Russian authorities, questions are being asked from many different angles.

A Russian Foreign Ministry spokesman told a news briefing on Thursday that the value of the "antiquated submarines" amounted only to that of "hunks of iron" and that the deal was made purely on a commercial level.

Similar deals are being made not only with North Korea but with other countries as well, the spokesman said.

"There is absolutely no military significance in the sale," he declared.

Russian Naval experts are scheduled to be present when North Korea dismantles the submarines, the spokesman said. There is also a clause in the contract that prohibits North Korea from using the submarines for military purposes.

In addition, the Russian naval authorities will remove engines and other "core parts" of the submarines before they are towed to North Korea, he said.

Questions persist, however, as no one can be sure the "core parts" will be removed as the spokesman said, or how thoroughly and effectively the Russian Naval experts will supervise the dismantling by the North Koreans, even if they actually are allowed to do so.

Moreover, there is the ultimate question: What if North Korea wants to use them militarily?

Many Western diplomats are skeptical that the Russian Naval authorities would remove core parts before the submarines' sale.

According to what is so far known, the Russian Far-East fleet will sell 11 or 12 submarines and many Western observers believe there is a strong possibility that some of the submarines will be handed to the North Koreans with most of their parts intact.

The Russian Far-East fleet and North Korea could work out secret deals so that three or four of the submarines could be sold without their parts removed, the observers say. There is no way of verifying this.

North Korea at present possesses 26 "Romeo" and "Whisky" class submarines but it cannot operate nearly half of them as Pyongyang cannot supply parts. Under the circumstances, suspicion arises that North Korea may be trying to use parts of newly purchased submarines for its existing fleet, they say.

Shibata Ariyoshi, an executive of the Japanese trading firm, Toen, which has served as middleman for the deal, contradicted the Russian claim and said all the parts were in the submarines.

So far, only one submarine has been delivered to North Korea and it is being dismantled at a shipyard in Najin, northwestern North Korea, just south of Vladivostok.

But it is not known whether Russian Naval experts are currently supervising the dismantling job. All that the Far-East fleet headquarters said was that its experts will be present at the dismantling work, but no details were disclosed.

South Korea, as well as Japan, is consequently particularly worried over this point, sources say.

The submarines that are being sold to North Korea are "Foxtrot" and "Golf II" class that are later models than the submarines North Korea currently possesses. Especially in the case of the "Golf II," the submarines carried SS-5 missiles until the late 1980s.

North Korea, which has deployed submarines for a long period of time, is said to have accumulated considerable submarine know-how. It could further acquire submarine technology in the process of dismantling the submarines, if it is indeed dismantling them.

Other than what the Foreign Ministry spokesman said, both North Korea and Russia, especially its naval authorities, are not saying anything at all about the sale of submarines to North Korea.

The Russian Far-East fleet headquarters had first contact with the Japanese trading firm Toen for the submarine sale in September 1993 and signed a formal contract in November with the Defense Ministry's approval.

One senior naval official said that the contract was signed by Russia and the Japanese firm. On paper, in other words, it is the Japanese company that is selling the submarines to North Korea.

But sources said Russia took this route to sell its submarines because it did not expose the deal and it wanted a guarantee of payment for them by the Japanese company.

North Korea, indeed, could be buying the submarines for scrap iron. Nevertheless, the purchase is causing international concern because it comes at a time when the world community is tense over the North Korean nuclear issue.

Commenting on the latest development involving North Korea, the Russia daily IZVESTYA said there is ample reason for South Korea and Japan to worry about the submarine sale.

Russia Requests Repaying Loan With Weapons

SK2101063494 Seoul YONHAP in English 0627 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—Russia has made official its offer to repay a South Korean loan with military hardware and technology, Foreign Ministry officials said Friday.

The Ministry had received a list, very close to one sent last month by a private defense institute, of arms and equipment that it was willing to include in such a deal on Jan. 19, they said.

To make the offer formal, Deputy Premier Aleksandr Shokhin sent a signed letter with it, they said.

Talks are expected among Foreign, Defense and Finance Ministry officials to decide whether Russian arms are compatible with Korea's current weapons and to weigh the pluses of Moscow's proposal.

Seoul agreed on 3 billion U.S. dollars in aid to Moscow but delivered only 1.47 billion dollars and suspended the rest after the collapse of the Soviet Union.

When Shokhin was visiting the Taejon Expo last year, he suggested that his country pay back the loan in military goods.

Russia Reportedly Proposes Weapons Development

SK2101080994 Seoul CHOSON ILBO in Korean 21 Jan 94 p 1

[Text] The Russian Government has recently made an official proposal to the ROK to supply and jointly develop and produce ultramodern weapons such as missiles.

Accordingly, the government will decide on its position after discussion with ministries concerned, including the Ministries of Foreign, Defense, and Finance, in February.

On 21 January, a government official said, "The Russian Government recently sent official documents to the ROK proposing joint development and production of weapons." He added that, "The government is carefully reviewing the list of possible items sent by Russia for joint development." The Russian proposal, which was made on the level of ROK-Russian economic cooperation, says that Russia will provide the ROK with 25 end-products, that the ROK may manufacture weapons with Russia's permission, and that the ROK and Russia jointly develop and produce weapons. Ultramodern weapons—such as missiles, submarines, tanks, and fighter planes—are included in the list of items proposed by Russia for joint development and supply.

According to the government official, the ROK Ambassador to Russia Kim Sok-kyu will return home soon for intensive discussions on this matter.

The position of the Foreign and Finance Ministries on this matter is that the ROK should at least consider the Russian proposal, while the Defense Ministry is saying that the ROK should consider the proposal cautiously, taking into consideration ROK-U.S. relations, supply of parts, and compatibility of equipment.

Russia proposed joint development and production of ultramodern weapons to the ROK through unofficial channels late last year.

DPRK's Kim Chong-u Postpones PRC Visit

SK2001015994 Seoul CHOSON ILBO in Korean 20 Jan 94 p 6

[YONHAP from Beijing]

[Text] A Western source in Beijing said on 19 January that Kim Chong-u, vice chairman of North Korea's External Economic Committee, who had been scheduled to visit China sometime this week, postponed the visit without a prior notice and that this has perplexed the Chinese side.

This source also said: The Chinese side faxed a message to North Korea's External Economic Committee and asked why he postponed the visit and when he would visit. However, the North Korean has not made a reply.

Kim was scheduled to visit China and discuss the construction of a road between the Najin-Sonbong area and Chongjin and other ways to promote cooperation for the Tumen River project.

Amount of PRC Military Aid to DPRK Reported

SK2101015094 Seoul SEOUL SINMUN in Korean 21 Jan 94 p 7

[YONHAP from Beijing]

[Text] According to a Chinese source on 20 January, China has given North Korea at least 7.5 billion won a year in military aid, even after the reduction of its aid to North Korea a few years ago.

This source, well versed in North Korean affairs, said that he "had recently heard this directly from a senior official of the Chinese Government," and said, "the details of the Chinese military aid to North Korea are not known. It has been learned, however, that the night infrared detection equipment is one of the items provided by China to North Korea."

The source also said that in addition to the military aid, China has annually provided North Korea with large-scale assistance of energy, including oil and coal; and of food including beans, corn, and rice, and that the annual food assistance reached about 15 billion won.

DPRK Delegation Reportedly Visits PRC SEZ

SK2101083394 Seoul YONHAP in English 0752 GMT 21 Jan 94

[Text] Hong Kong, Jan. 21 (YONHAP)—An 11-man North Korean delegation led by Hwang Chang-yop, a secretary of the Worker's Party Central Committee and chairman of the Supreme People's Assembly Foreign Affairs Committee, has spent the last three days in the special economic zone [SEZ] in Zhuhai, Guangdong Province, collecting information on Chinese economic reforms, a city official said Friday.

The North Koreans arrived in the southwestern port on Wednesday and spent the following day touring factories in an industrial complex.

Hwang expressed deep interest in industrial development in the area on meeting Zhuhai Party Committee Secretary and Mayor Liang Guangda, the Chinese official told YONHAP in a telephone interview.

The North Koreans left the city early Friday with material on economic reforms, the official said.

Beijing was trying to keep the visit secret in respect for Pyongyang's position.

"The three-day visit to Zhuhai is noteworthy because of the status of Hwang Chang-yop," a Western diplomat in Hong Kong said. "It is interesting to see North Korea so interested in Chinese-style economic reform."

Kim Yong-sam Said Scheduled To Visit China

SK2101110994 Seoul YONHAP in English 1052 GMT 21 Jan 94

[Text] Seoul, Jan. 21 (YONHAP)—President Kim Yong-sam is scheduled to make a state visit to China in late March at the invitation of Chinese President Jiang Zemin, Chongwadae [presidential residence] announced on Friday afternoon.

The announcement made by the office of the presidential spokesman said China extended invitation to President Kim in the first signed letter from a Chinese president since the two countries entered full diplomatic relations in August 1992.

New Taiwan Mission Chief Interviewed on Arrival

SK2101053994 Seoul SEOUL SINMUN in Korean 21 Jan 94 p 3

[By Son Song-chin]

[Text] Following the sever of diplomatic relations between our country and Taiwan 17 months ago, Lin Tsun-hsien, representative of the Taiwan Mission in the ROK, arrived here on a Delta Airlines flight at 4:10 PM on 20 January.

In the news conference held at the airport, Representative Lin said: "I will do my best to restore mutual trust as soon as possible and to establish new relations based on the principle of equality and reciprocity."

Government officials, including Chong Yong-cho, a consultation officer in charge of Asian affairs at the Foreign Ministry, received the representative at the airport. Some 100 resident-Chinese also warmly welcomed the representative and his wife by presenting garlands of flowers.

The representative said: "Although the two countries severed ties a year ago, I think it will not be long before the bilateral relations of friendship are restored since the two countries have maintained close cordial relations in culture and trade for a long time. I think, first of all, it is urgent to restore mutual understanding and trust." He then added: "It took longer than expected for me to arrive in the ROK because I had to pass on the ambassadorial duties of my former post. As soon as the construction of a new office at Kwanghwamun building is completed, the mission will be inaugurated and begin operations."

In connection with restoring relations in areas of economy and aviation, he said: "I believe that the bilateral relations in aviation, economy, and trade will soon be restored if the two countries and peoples are prepared to do so."

Representative Lin, saying that most Taiwanese people welcome the opening of the Taiwanese mission in the ROK, disclosed that he has met with Han Chol-chu, representative in the ROK mission in Taiwan, and that they had agreed to work closely with one another.

The major tasks of the mission will be protecting the rights of Chinese residents in the ROK and assisting Taiwanese students studying in the ROK, he said.

Following the break in diplomatic relations on August 24, 1992, the ROK and Taiwanese Governments have since signed an agreement to establish relations in July last year and the ROK Mission in Taiwan began operations as soon as 25 November of last year.

German Chamber of Commerce Head on Investment

SK1401112894 Seoul TONG-A ILBO in Korean 14 Jan 94 p 10

[Text] Hans Peter Steel, president of Germany's Federal Chamber of Commerce, 62, came to Seoul to have, as he put it, a first-hand look at the investment environment in the ROK. He came to Seoul on 12 January after winding up his visit to Japan. The reporter met him at the office of the ROK-German Chamber of Commerce in Seoul on 13 January.

[Ho Mun-myong] What is the purpose of your visit to the ROK?

[Steel] The German economy is export-oriented. But the settlement of the Uruguay Round made the German Government take even greater interest in international trade. The Asian region has a great growth potential and its investment environment is improving with each passing day. I have come to Seoul on behalf of the German industrialists to explore prospective business areas for investment and ways to promote economic cooperation.

[Ho] You said there has been a change in the investment environment in the ROK, did you not?

[Steel] Yes. Comparing it with that of one year ago when I visited Seoul, I find a considerable change not only in the external appearance of Seoul but in its economic environment, as well. Many of the restrictions have been lifted and the investment environment is changing positively. [end Steel]

President Steel said, "The ROK is trying hard to export its goods, but is blocking its domestic market from foreign exporters. A typical example is that the ROK is discouraging people from buying foreign-made cars while allowing them to be imported."

[Ho] Is there any problem in Germany's internationalization?

[Steel] Germany's exports and imports account for two-thirds of its gross national product. This explains how much we depend on trade with other countries. We have an urgent need to secure not only the European market but the East Asian and South American markets. Many German businesses are moving their plants to Southeast Asia and East Europe avoiding high production cost in Germany, therefore, this will activate our advance into these areas.

[Ho] Do you think this is a good time for the ROK to internationalize its economy?

[Steel] Yes, it is the right time for the ROK to do so because the ROK economy is now capable of sustaining itself to a certain degree. The ROK has liberalized much of its markets, but it has yet to open up more of them.

President Steel is the director of the Steel Company, the electric saw manufacturer that has 30 percent share of the entire world market, and was elected president of the German Federal Chamber of Commerce in 1988.

Presidential Secretaries' Reshuffle Announced

SK1501085494 Seoul YONHAP in English 0822 GMT 15 Jan 94

[Text] Seoul, Jan. 15 (YONHAP)—The presidential office on Saturday announced a reshuffle of presidential secretaries, naming Yun Won-chong, secretary for party-administration affairs, as first secretary (rank 1) for political affairs, and Kim To, personnel administration secretary, as second secretary (rank 1) for political affairs.

The newly created post of planning and coordination secretary (rank-3) went to Kim Kwang-im, a director-level official of the Economic Planning Board [EPB].

The posts of first and second public relations secretaries of the office of senior secretary for political affairs were integrated into the duty of a single public relations secretary, which was landed onto Second Public Relations Secretary Om Hyo-hyon (rank-1).

Kim Chae-sok, a former Democratic Liberal Party director, was named as personnel administration secretary (rank-1).

Second Petition and Information Secretary Kim Musong was named as first inspection secretary (rank-1), and the post of petition and information secretary newly created through the merger of first and second petition and information secretaries was filled with First Petition and Information Secretary Kim Kil-hwan (rank-1).

At the office of senior information secretary, first public relations secretary was renamed as first information secretary, the duty of which was given to Sin U-chae, first public relations secretary. Kim Chong-nam, a researcher at the Foreign Affairs and National Security Institute, was named as second information secretary (rank-1).

Second Public Relations Secretary Pak Chin was appointed as information secretary (rank-3) for overseas affairs.

The new post of deputy Chongwadae [presidential office] spokeswoman is to be filled early next week as candidates were narrowed to two: a 38-year-old Ms. Choe and a Ms. Yi in her early 40s.

At the newly created office of senior secretary for agriculture and fisheries, Pak Chang-chong, a director-level official of the Agriculture, Forestry and Fisheries Ministry, was named as agriculture and fisheries policy secretary (rank-3): Pak Hwa-su, an EPB official, as rural industrial secretary (rank-3): and Dr. Yi Chong-hwan as rural welfare secretary.

Kim Yong-chun, second social affairs secretary, was named as social affairs secretary whose post was created through the integration of first and second social affairs secretaries.

Minister Han Briefs President on Foreign Policy

SK1901031694 Seoul YONHAP in English 0127 GMT 19 Jan 94

[Text] Seoul, Jan. 19 (YONHAP)—Gathering information on high-tech industries and new products in advanced countries for Korean industry to better compete in the world market is a foreign policy goal for 1994, Foreign Minister Han Sung-chu said in his briefing on the new year's foreign policy for President Kim Yongsam on Wednesday.

Foreign policy also focuses on creation of an international environment conducive to national reunification and peace on the Korean peninsula, increased cooperation with Asia-Pacific nations and expansion of economic diplomacy to help industries cope with the globalization trend of world trade.

To achieve these goals, the ministry will be reorganized, with stress on diplomacy in trade and environment affairs.

Han said the expansion of economic diplomacy would include increased trade diplomacy to prepare the country for the new world trade order to be established by the projected world trade organization.

In addition, preparations for admission to the OECD (Organization of Economic Construction and Development) will be stepped up, along with efforts to increase cooperation with the group of seven advanced economies.

For increased cooperation with Asia-Pacific nations, summit diplomacy will be promoted, including summit meetings with Southeast Asian nations, in addition to the Asia-Pacific economic cooperation summit slated for November in Indonesia, Han said.

A multilateral security forum in Northeast Asia will be promoted, and the government will participate in the foreign ministers conference and security forum of the associations of Southeast Asian nations.

Increased cooperation with the international community, especially with the United States, will be sought to solve the North Korean nuclear issue in such a manner as to guarantee North Korea's nuclear transparency and promote inter-Korean coexistence and cooperation.

Car Exports to North America Drop Sharply

SK2101011994 Seoul THE KOREA HERALD in English 21 Jan 94 p 9

[Text] Korea's automobile exports to North America, still its largest market, dropped sharply last year, while exports to other parts of the world except Africa surged, according to an analysis by the Ministry of Trade, Industry and Energy (MOTIE).

Domestic automobile producers shipped 140,702 vehicles to North America last year, down 8.7 percent from 1992.

The fall was attributed to the shutdown of Hyundai Motor's plant in Quebec, Canada, a temporary sales vacuum caused by Kia Motors' export car model change, and Daewoo's separation with General Motors (GM), which put an end to exports of its LeMan model.

According to MOTIE officials, exports to North America will see growth this year but the growth rate will not be substantial.

As reasons, the officials cited the continued closure of Hyundai's Quebec plant, which is undergoing an overhaul of production lines, and the brake put on Daewoo's exports of the LeMans.

The Hyundai plant in Quebec was originally supposed to resume operations in September 1995 but a delay is expected because of problems concerning the planned equity capital increase by Hyundai for its Canadian subsidiary, according to the officials.

Following its separation with GM, Daewoo has been banned from shipping the LeMan model, which was developed by its former partner, to North America.

This year, Daewoo will produce the Legend model under a license agreement with Japan's Nissan. But this model is not likely to offset the vacuum caused by the ban on Daewoo's LeMans.

In contrast, Kia is expected to see a sharp increase in exports to the world's largest market. Starting from the second half of last year, it has been shipping the new Aspire model, instead of Festivas, to Ford under an OEM (original equipment manufacturing) agreement.

At the same time, it is building up its own sales network in North America to sell Sephias and Sportages under its own brand name.

According to MOTIE officials, Korean automakers are expected to suffer setbacks in exports to China this year as the neighboring country has strengthened control on imports of consumer products including foreign vehicles.

Last year, vehicle shipments from Korea to China are believed to have totaled over 50,000 units. This year, the figure is likely to be drastically slashed.

To other parts of the world, Korean car exports will enjoy continued growth. Overall, automobile shipments are expected to shoot up by 20 percent to around 800,000 units this year, according to MOTIE officials.

Top 30 Business Groups Select Prime Companies

SK1901032694 Seoul THE KOREA TIMES in English 19 Jan 94 p 8

[Text] The nation's top 30 business groups have selected their prime industries and companies which they will nurture as world-top enterprises in order to enhance their international competitiveness.

They submitted the lists of their choices to the Ministry of Trade, Industry and Energy yesterday, the government-set deadline.

The selection of core industrial sectors and companies by the 30 largest conglomerates, which was conceived by the government last July, is aimed at business "specialization" as a means to strengthen the competitiveness of Korean products in international markets.

As permitted in the guideline, the top 10 of the 30 groups except for Kia chose three prime industries each, while Kia and the remaining 20 selected two core industries each.

The top 10 are Hyundai, Samsung, Daewoo, Lucky-Goldstar, Sunkyong, Hanjin, Ssangyong, Kia, Hanhwa and Lotte.

Specifically, Hyundai decided on electronics, automobiles and energy; Samsung electronics, machinery and petrochemicals; Daewoo machinery, automobiles and distribution; Lucky-Goldstar electronics, petrochemicals and energy, and Sunkyong energy, petrochemicals and distribution.

Hanjin chose machinery, distribution and construction; Ssangyong energy, non-metals and automobiles; Kia automobiles and steel; Hanhwa energy, petrochemicals and distribution, and Lotte food & beverages, petrochemicals and distribution.

The 20 other groups are Kumho, Daelim, Doosan, Dong-Ah, Hanjin, Hyosung, Dongkuk Steel, Sammi, Halla, Tongyang, Kolon, Jinro, Dongbu, Kohap, Kukdong, Woosung, Haitai, Byucksan, Miwon and Samyang.

Kumho selected petrochemicals and distribution; Daelim construction and non-metals; Doosan food & beverages and construction; Dong-Ah construction and distribution; Hanil textiles, and construction; Hyosung petrochemicals and electronics, Dongkuk Steel distribution and steel; Sammi distribution and steel; Halla automobiles and machinery, and Tongyang electronics and distribution.

Kolon picked petrochemicals and distribution; Jinro food & beverages and distribution; Dongbu steel and distribution; Kohap petrochemicals and distribution; Kukdong construction and non- metals; Woosung construction and distribution; Haitai food & beverages and distribution; Byucksan non-metals and construction; Miwon food & beverages and petrochemicals, and Samyang food & beverages and petrochemicals.

The 30 top business groups were implicitly permitted to pick one or two core companies in each selected prime industrial line although there is no regulation on that matter in the guideline.

Of the 10 largest conglomerates, Hyundai picked five including Hyundai Electronics and Hyundai Motor; Samsung five including Samsung Electronics and Samsung General Chemicals; Daewoo four including Daewoo Shipbuilding & Heavy Machinery and Daewoo Motor; Lucky-Goldstar six including Goldstar and Lucky, and Sunkyong six including Yukong and Sunkyong.

Selected core industrial lines will be free of the government's strict control on borrowing fresh bank loans by the top 30 business groups.

Prime Industries and Companies of Top 30 Business Groups

Group	Industries	Companies
Hyundai	Automobiles,	Hyundai Motor, Hyundai Motor
	Electronics,	Service, Hyundai Oil Refinery
	Energy	Seil Oil
Samsung	Electronics,	Samsung Electronics, Samsung
	Machinery,	Heavy Industries, Samsung
	Petrochemicals	Aerospace, Samsung General Chemicals, Samsung Chemicals
Lucky-Goldstar	Electronics,	Goldstar, Goldstar Electron,
	Petrochemicals,	Lucky, Lucky Petrochemical, Honam
	Energy	Oil Refinery, Saebang Oil
Daewoo	Automobiles,	Daewoo Motor, Daewoo Heavy
	Machinery,	Industries, Daewoo Shipbuilding
	Distribution	Heavy Machinery, Daewoo Corp.
Sunkyong	Energy,	Yukong, Hungkuk Sangsa, SKI, SKC,
	Petrochemicals,	Sunkyong, Yukong Shipping
	Distribution	Yukong Shipping
Hanjin	Transportation,	Korean Air, Hanjin Shipping,
	Machinery,	Hanjin Heavy Industries, Hanil Development,
	Construction	Hanjin Const.
Ssangyong	Automobiles,	Ssangyong Motor, Ssangyong Cement,
	Non-Metal	Ssangyong Oil Refinery, Buma Oil
	Mining Goods,	
	Energy	
	Steel	
Kia	Automobiles,	Kia Motors, Asia Motors,
	Machinery,	Kia Precision Works,
	Steel	Kia Speciality Steel
Hanhwa	Energy,	Kyungin Energy,
	Petrochemicals,	Hanyang Petrochemical, Hanhwa, Hanyang
	Distribution	Stores, Golden Bell
Lotte	Distribution,	Lotte Shopping, Lotte Development,
	Food & Beverages	Lotte Confectionery ,Chilsung Beverage, Lotte Ham, Lotte Milk,
	Petrochemicals	Honam Petrochemicals
Kumho	Transportation,	Asiana Airlines,
	Petrochemicals	two others
Daelim	Construction,	Daelim Industrial, two others
	Non-Metal Mining	
	Goods	
Doosan	Food & Beverages,	Oriental Brewery, four others
	Construction	
Dong-Ah	Construction,	Dong-Ah Construction, one other
	Transportation	
Hanil	Textiles,	Hanil Synthetic Fiber, two others
	Construction	

Prime Industries and Companies of Top 30 Business Groups (Continued)

Group	Industries	Companies
Hyosung	Petrochemicals,	Hyosung Heavy Industries, three others
	Electronics	
Dongkuk Steel	Steel, Distribution	Dongkuk Steel, four others
Sammi	Steel, Distribution	Sammi, one other
Halla	Machinery, Automobiles	Mando Machinery, two others
Tongyang	Electronics, Distribution	Tongyang Mart, one other
Kolon	Petrochemicals, Distribution	Kolon, two others
Jinro	Food & Beverages, Distribution	Jinro, three others
Dongbu	Distribution	Dongbu Steel, two others
	Steel	
Kohap	Petrochemicals,	Koryo Synthetic, three others
	Distribution	
Kukdong	Construction,	Kukdong Construction,
	Non-Metal	two others
	Mining Goods	
Woosung	Construction,	Woosung Construction,
	Distribution	one other
Haitai	Food & Beverages,	Haitai Beverage, two others
	Distribution	
Byucksan	Construction,	Byucksan, two others
	Non-Metal	
	Mining Goods	
Miwon	Food & Beverages,	Miwon, one other
	Petrochemicals	
Samyang	Food & Beverages,	Samyang, two others
	Petrochemicals	

Brunei, Malaysia & Singapore

Malaysia

Editorial Seeks Fair Fight in Bosnia

BK1801120594 Kuala Lumpur NEW STRAITS TIMES in English 17 Jan 94 p 12

[Editorial: "Let Bosnia Fight Fair"]

[Text] Not long after Bosnia erupted into civil war 21 months ago, the international community gambled that if it could fudge its commitment to peacekeeping long enough, the conflict would sooner or later fizzle out and be forgotten. It has not paid off; instead, with each passing day the stakes have increased to a point where the poverty of conscience is bordering on ennui. The impatience of the major powers in the shambolic [as published] Bosnian peacekeeping operation to consign the tragedy to remote memory has left them questioning themselves about how little they can get by with in dealing with the Bosnias of the future. With their default over Bosnia more or less a done deal, the NATO countries at their summit last week hastened to reassure themselves that the Atlantic alliance could still uphold lofty principle on elaborate pretense alone.

For while the post-Cold War world resolves its geopolitics in the absence of a clear definition of friend and foe, it is pretentious to assume that self-interest is anything less than paramount. Both France and Britain, the main participating nations in the Bosnian peacekeeping presence, have hinted that that interest would not be further served by exposing their troops in an inconclusive conflict. Those troops might be withdrawn if no agreement is reached by the spring—it would be pointless to stay on when the injustice of the carve-up plan has been conceded as a given. The Bosnian Government cannot accept the residue of their country as offered so far, and have no choice but to keep on fighting. With its back against the wall, it had been prepared to yield up to two-thirds of its territory in return for a face-saving and economically viable peace. Between immolation and a humiliating vestige of their former sovereignty, the Bosnian Muslims are making the only dignified choice. Having stayed neutral on the terms of a peace settlement, the Europeans see no point in turning their token gestures into sitting ducks.

Apart from the extremist elements, the Bosnian Muslims know that they cannot win back all that they have lost. The realists hope to regain the bulk of central Bosnia and wrest by force the minimal concessions that they had thus far failed to obtain by negotiation. The greatest irony of the West's dereliction over the Bosnia issue is that the basis for their inaction has not come to bear—the conflict did not end quickly. It is now safe to conjecture that had the arms embargo been lifted, the fighting would have taken less time to come to a truce, with an eventual deadlocked armistice. No matter how tense such an armed stand-off might have been, it would have been wrought at less suffering. Ethno-religious rivalry exacts greater attrition the longer it is left to fester. The sooner an impasse is reached with reasonable grounds staked out, the more amenable will the combatants be to a practical detente.

Such "what if's" will no doubt keep historians busy in time to come. What would make them busier still is the external and incidental costs of the international community's betrayal of principle. It is already obvious to most Muslims worldwide that their interests are incompatible with those of that community's Western leaders, vaunted principles notwithstanding. The scale of Bosnia's neglect might be small enough to be easily forgotten. But the religious sectarianism with which that conflict was fought will be remembered for a long time yet.

Mahathir Criticizes UN on Bosnian Muslims

BK2101055994 Kuala Lumpur BERNAMA in English 0411 GMT 21 Jan 94

[Text] Kuala Lumpur, Jan 21 (OANA/BERNAMA)—Malaysian Prime Minister Dr Mahathir Mohamed has blamed the United Nations (UN) for the suffering of the Muslims in Bosnia-Herzegovina, ticking off the international body for what he described as not discharging duties entrusted to it.

In another of his strong speech criticising the international community over the plight of the Bosnians, the prime minister said UN had not only put its integrity in question but also the sincerity of the so-proclaimed champions of human rights.

At a function where he received a standing ovation from a group of Bosnians now taking shelter in Malaysia, he also expressed his sadness that the international community had chosen to stand by and watch the Muslims in Bosnia-Herzegovina continued to face the merciless aggression of the Serbs.

If we accept what is happening to the Bosnians now as legitimate and right, then our civilisation is coming to an end, he said when launching the books Voices of Malaysia, Suara Keperihatinan Malaysia and Bosnia: Testament To War Crimes As Told By Survivors here Thursday.

At the ceremony, attended by corporate leaders, senior government officers and politicians, more than RM1 million [Malaysian currency] was collected for the Bosnian fund which Dr Mahathir said, proved that they were still humans, symphathising for the Bosnians.

In criticising the UN, Dr Mahathir said it was clear that it was the United Nations that was holding down the Bosnians with its policies of arms embargo over Bosnia-Herzegovina, over protecting the UN troops and failing to apply pressure against Serbia.

The embargo had left the Bosnian Muslims defenceless against the Serbs, he said, adding that it was apparent that the Western powers did not want their soldiers even to get hurt, and not to mentiom killed and that they did nothing to protect the Bosnians Muslims.

What good are they called soldiers. We might as well call the civilians or small children to do their jobs, he said.

Prominent social worker Dr Alijah Gordon, who edited the book Bosnia: Testament To War Crimes As Told By Survivors, criticised UNESCO for failing to protect priceless manuscripts in Sarajevo from being destroyed by the Serbs.

Central Bank Reports Increase in Reserves

BK1801094494 Kuala Lumpur NEW STRAITS TIMES in English 17 Jan 94 p 20

[Text] Bank Negara's gold and foreign exchange and other reserves, including special drawing rights rose to RM [Malaysian ringgit] 64,930.89 million as at Dec 15, 1993, from RM 60,265.32 million a forthnight earlier.

A statement from the central bank said its total assets and liabilities also increased to RM 93,788.00 million from RM 92,727.63 million previously.

Loans and advances rose to RM 2,366.83 million from RM 2,351.96 million while holdings of Malaysian Government papers, declined to RM 377.83 million from RM 515.78 million.

Holdings of bills discounted fell to RM 3,644.97 million against RM 3,695.66 million previously.

Currency in circulation also dropped to RM 14,032.54 million from the previous figure of RM 14,099.11 million.

Deposits of commercial banks, finance companies and merchant banks totalled RM 49,200.81 million as at Dec 15 against RM 47,780.51 million.

Deposits of Federal Government declined to RM 5,457.06 million from RM 5,978.51 million while State Government deposits increased to RM 610.50 million from RM 504.69 million a forthnight ago.

Former Sabah Official, ISA Detainee Released

Unconditional Release

BK2101104194 Kuala Lumpur NEW STRAITS TIMES in English 20 Jan 94 p 1

[By Azran Aziz and Kamarul Zaman Salleh]

[Excerpts] Seremban, Wed—Former Sabah Foundation director Datuk Dr. Jeffrey Kitingan was today released without any conditions from restricted residence under the Internal Security Act [ISA].

This was confirmed by Negri Sembilan police chief SAC [Senior Assistant Commissioner] 1 Abas Johar here.

Kitingan was released from the Kamunting detention camp on December 22 last year after being held there under the Internal Security Act since May 13,1991, and put under restricted residence in Seremban for a duration of not more than two years. Under the earlier restriction order, Kitingan was not allowed to write or help to write any article that is political in nature, hold gatherings in his house or compound or in any building under his control or make Press statements.

Kitingan, 45, collected his release letter after police officers escorted him from the Allson Klana Resort hotel to the police headquarters at 12.25pm [0425 GMT].

He said he was very happy and thanked Prime Minister Datuk Sri Dr. Mahathir Mohamed, who is also Home Minister, for releasing him unconditionally.

"I am very happy and I take this opportunity to thank Dr. Mahathir for releasing me without any conditions," he told reporters at the hotel lobby.

Kitingan said he hoped the Prime Minister would also release other Sabah people who were still under restricted residence.

He said he would leave for Sabah tomorrow morning.

Asked if he would contest a seat in the forthcoming Sabah State elections, he said, he would do so if he was named as a candidate. [passage omitted]

Minister Fined After Guilty Verdict

BK1701145094 Kuala Lumpur BERNAMA in English 1008 GMT 17 Jan 94

[Text] Kota Kinabalu, Jan 17 (OANA-BERNAMA)—The High Court here Monday fined Chief Minister of the eastern Malaysian state Joseph Pairin Kitingan 1,800 ringgit (U.S. $660) in default six months' jail after finding him guilty of using his position to award a shophouse project in his constituency of Tambunan to a company in which his brothers-in-law had interests.

Justice Denis Ong Jiew Fook of the Miri High Court passed the sentence after hearing mitigation from Pairin's counsel, Raja Aziz Adruse, and a reply from senior federal counsel Abdul Gani Patail.

He took about an hour and 21 minutes to decide on the sentence which was greeted with loud applause from the public gallery.

The charge under Section (1) of the Emergency (Essential Cases) Ordinance 1970, carries a maximum fine of 20,000 ringgit or a jail term not exceeding 14 years, or both upon conviction.

Pairin, 53, was found guilty of using his position as the chief minister to commit a corrupt practice by approving a 1.48-million ringgit contract for the Sabah Economic Development Corporation's shophouse project in Tambunan to Rimkaya Co. Ltd., in which his relatives were the directors-cum-shareholders.

He committed the offence at his office in the Sabah Foundation building in Likas here, on September 11, 1985.

During the trial, which lasted 96 days, the prosecution witnesses testified that Justin Alip and Jude Edward Kessy were Pairin's brothers-in-law and Rimkaya's directors-cum-shareholders.

Pairin, in his defence, said he was not aware that any of his brothers-in-law was involved with Rimkaya which was given the second phase of Tambunan shophouse contract.

He was defended by Anthony Scrivener, QC [Queen Counsel], Raja Aziz Addruse, Douglas Primus, Datuk Chau Chin Tang, and James Tsai, while Gani prosecuted, assisted by Ahmad Bache.

Mahathir Not To Appoint New Minister

BK2001145194 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 20 Jan 94

[Excerpts] Datuk Sri Dr. Mahathir says the government has no plans to appoint a new Sabah affairs minister to replace Tun Datu Mustapha, who resigned yesterday. The resignation of Tun Datu Mustapha as Sabah affairs minister, chairman of the UMNO [United Malays National Organization] Merudu Division, and consequently an UMNO member will not affect anyone. Tun Datu Mustapha had the right to make this decision. It showed, however, that Tun Datu Mustapaha was not committed to UMNO. [passage omitted]

Asked about Datuk Jeffrey Kitingan, director of the Sabah Foundation, who has cited the possibility of playing politics to revamp relations between the federal government and the Sabah Government, Datuk Sri Dr. Mahathir said that the federal government has never quarreled with the people of Sabah. The federal government merely disagrees with the present Sabah leadership:

[Begin Mahathir recording] I have heard these rumors for a long time. Indeed, they want to be readmitted into the National Front. We cannot just readmit them, though. You remember that we admitted them after they insisted, but they quit the National Front easily at a time when we were facing a general election. Thus, we cannot readmit them easily. First, we want to know the extent and see the proof of their commitment. If they are able to prove that they really had nothing to do with their leader's action, we will consider readmitting them, because we are not extremely rigid; we have mercy for them. [end recording]

Commentary Views Prospects for Indonesian Ties

BK1901151094 Kuala Lumpur Voice of Malaysia in English 0800 GMT 18 Jan 94

[Station commentary]

[Summary from poor reception] "A new era has been forged in economic cooperation between Malaysia and Indonesia. This follows the highly professional visit of Deputy Prime Minister Datuk Sri Anwar Ibrahim to Jakarta recently. A record 12 memoranda of understanding were signed between both governments and respective private sectors."

The high-level business trip was intended to set up a joint venture company called Malindo. The joint venture will help identify small- and medium-scale industries in Indonesia. The venture is meaningful because it will promote closer ties between the private sector in the two countries.

"The partnership is all the more timely and vital in view of ASEAN's goal to form a single market early next century. Malaysia's trade and investment linkages will help the two countries to become growth centers within ASEAN."

Of course, as in any business venture, problems are bound to crop up. The challenge is to overcome these problems and work for mutual benefit. There will be many rewards, including for the two countries' markets. There are differences in the business relationship between the two countries, but more importantly there are great similarities. It is encouraging to see that a memorandum of understanding was signed to market the Proton in Indonesia. This is the national car's first entry into the protected Indonesian market. Indonesia should become involved in Malaysia's national car project by supplying auto components for the project. An Indonesian group and the manufacturer of the national car are already discussing this possibility. Two-way cooperation has also been extended to the financial sector.

"Malaysia has promised technical assistance in establishing Islamic financial and insurance system. There is much Malaysia can contribute in this area, as it has one of the most successful Islamic banking system in the world."

"It is also all important in a world that is increasingly becoming more competitive, and where developing countries seem to be always pushed around."

Indonesian Helicopter, Training for Bruneians

BK2101113994 Kuala Lumpur NEW STRAITS TIMES in English 20 Jan 94 p 8

[Excerpts] Kuala Lumpur, Wed—The Cabinet has accepted Indonesia's offer of a new NAS-332 Super Puma helicopter to replace a similar aircraft used by the Royal Malaysian Air Force [RMAF] which crashed near Sungai Petani, Kedah, on December 31 last year, killing the crew of four.

Defence Minister Datuk Sri Najib Tun Razak said the Cabinet at its weekly meeting today accepted the offer as it was a sign of goodwill from the Indonesian Government. [passage omitted]

"However, the RMAF will evaluate the technical aspects of the Super Puma and its after sales support before taking delivery of it," Najib said.

He said this to newsmen after receiving Brunei's Navy commander Colonel Pehin Datuk Paduka Kefli at his office in Jalan Padang Tembak.

Earlier, Pehin met Royal Malaysian Navy chief Laksamana Madya [Rear Admiral] Datuk Sri Shariff Ishak. [passage omitted]

On Pehin's visit, Najib offered to train more Brunei navy personnel here and build naval warships for them. [passage omitted]

Air Force Receives First British Jet

BK2101111794 Kuala Lumpur NEW STRAITS TIMES in English 20 Jan 94 p 8

[Text] Kuala Lumpur, Wed—The Royal Malaysian Air Force [RMAF] today received the first of its 10 British Aerospace [BAe] Hawk 100 twin-seater advanced jet-trainer aircraft from BAe Defence Military Aircraft Division in Warton, United Kingdom [UK].

On hand to receive the aircraft from BAe Defence Military Aircraft Division director Kevin Smith was RMAF chief Lieutenant General Datuk Abdul Ghani Aziz.

The Warton factory will also supply 18 Hawk 200 single-seat ground attack aircraft to the RMAF.

The Government ordered the Hawks in December 1990, costing more than RM1.2 billion, including equipment training aids, spare parts and ground support equipment.

In his speech, Kevin said the delivery marked a significant milestone for BAe as Malaysia represented the first sale of the Hawk 100 and 200 series in ASEAN.

"We fully recognise that the successful introduction of the Hawk into service in Malaysia is of prime importance to both the RMAF and BAe," he said.

Excerpts of his speech was released in a statement issued by BAe here.

Abdul Ghani later toured the plant to view the other Hawks being assembled.

The Hawk 100 is equipped with high-technology avionics including a high performance laser initial navigation unit, new generation Head-Up Display/Weapon Aiming Computer (HUN/WAC) as well as high accuracy Air Data Sensor.

In addition, the aircraft is also equipped with a Forward-Looking Infra Rec (FLIR) and laser range finder which lets the pilot complete his mission day or night and in poor weather conditions.

The same system will help the pilot to deliver its weapons accurately.

The Hawk 100 is powered by the Rolls Royce 871 Adour engines with refinements to the wings to include a new combat flap setting.

The addition of such sophisticated equipment is not at the expense of the aircraft's proven reliability and maintainability.

The Hawk 200 is the only aircraft in its class to be fitted with a sophisticated Hughes AN/APG-66H multimode pulse doppler radar.

The improved cockpit has been designed to provide good all-round visibility and the pilot's workload in attack is reduced by the Hotas.

Ground support equipment and spares are being shipped from the UK to Malaysia and BAe field representatives are now in Malaysia to assist in their implementation.

BAe had also begun training RMAF technicians as of last June and pilot conversion training has been conducted since early this month.

The sale of the Hawks have generated participation of local aviation companies in co-manufacturing of parts and maintenance of the aircraft to off-set the cost of buying the aircraft.

Among them are SME [Expansion unknown] Technologies Sdn Bhd [Company Limited] which are involved in manufacturing weapons pylons and Airod Sdn Bhd for engine servicing and overhauling.

Apart from that, BAe is also involved in transferring on-board technology computer software to the RMAF.

Pact on Telecommunications Signed With France

BK2101081094 Kuala Lumpur BERNAMA in English 0720 GMT 21 Jan 94

[Excerpt] Kuala Lumpur, Jan 21 (OANA/BERNAMA)—Malaysia and France Thursday signed a memorandum of understanding on cooperation in telecommunications and postal services.

Energy, Telecommunications and Posts Minister S. Samy Vellu signed the agreement with visiting French Minister of Industry, Posts and Telecommunications Gerard Longuet after two days of discussions.

Malaysia will start the general services mobile (GSM), a new cellular phone, by next May and France will be one of the operators of GSM which will cooperate with us, Samy told reporters after the signing ceremony at his office, here.

He said Malaysia needed the cooperation of other GSM operators in Europe to follow the European telecommunications standard to maintain direct connections and the cooperation provided by France was in the usage of the software system.

We also discussed on the fibre optic network and they are interested to set up a fibre optic factory in Malaysia for the export market, he said.

Samy Vellu also said that Telekom Malaysia was discussing with a French telecommunications company, Alcatel, to buy telecommunication switching equipment. [passage omitted]

UNOSOM II Peacekeepers Leave for Mogadishu

BK2001153894 Kuala Lumpur NEW STRAITS TIMES in English 19 Jan 94 p 6

[Excerpt] Kuala Lumpur, Tue—Nineteen Army officers and men today left for Mogadishu to assume duties under the United Nations Operations in Somalia (UNOSOM II).

Two of them, Lieutenant Colonel Liew Wai Tong and Captain Abdul Razak Abdul Rahim, will be attached to the UNOSOM II headquarters in Mogadishu.

They will be responsible for the logistic needs of some 27,000 troops from 27 countries. [passage omitted]

Palm Oil Sale Credit Signed With Burma

BK2001083594 Kuala Lumpur Voice of Malaysia in English 0800 GMT 20 Jan 94

[Text] Malaysia and Myanmar [Burma] have signed a memorandum of understanding [MOU] on the utilization of an export credit for the sale of Malaysian palm oil to Myanmar. Primary Industries Minister Datuk Lim Keng Yaik said under the MOU, Malaysia is to provide a U.S. $25 million credit to cover the purchase of Malaysian palm oil. Myanmar will need to buy at least 50,000 tons of palm oil per year. Myanmar was represented by the minister of trade Lieutenant General Tun Kyi.

Speaking to reporters after the signing of the memorandum, Datuk Sri Dr. Lim said the event marked another milestone in the efforts to expand its palm oil market as well as to foster and enhance economic cooperation between the two countries.

Singapore

Minister: Need for More Malaysia Contacts

BK1701130094 Singapore THE SUNDAY TIMES in English 16 Jan 94 p 18

[Text] Kuala Lumpur—Foreign Minister Professor S. Jayakumar yesterday said that both Singapore and Malaysia should find ways of expanding contacts at all levels.

Speaking to THE SUNDAY TIMES before flying home after a two-day visit, he said that such a move was necessary because of the changed circumstances.

In the past, he said that many Malaysians and Singaporeans studied together at Raffles College and the University of Malaya in Singapore.

As this was no longer happening, he said that it was important for the two countries to make concerted attempts to build new links.

Prof. Jayakumar said that his Malaysian counterpart, Datuk Abdullah Ahmad Badawi, whom he met on Friday also agreed on the need to step up contacts.

Both felt that bilateral ties were very good and that outstanding issues between the two countries could be resolved.

As an example, he said that they noted that discussions between both countries were being conducted on two issues on the same day as their meeting.

They were the disputes over the ownership of Pedra Branca, on which stands the Horsburgh Lighthouse and which Singapore has administered for the past 150 years, and the delineation of the Straits of Johor.

"We were both optimistic that such issues could be resolved," he said.

Datuk Abdullah, who was present to bid farewell to Prof. Jayakumar, interjected that the current approach was the best. "Leave it to the present mechanism," he added.

Prof. Jayakumar took the opportunity of stressing to his Malaysian counterpart the value he attached to the Singapore-Malaysia relationship.

"With good relations, it will be easier to view in perspective the occasional hiccup that may erupt from time to time," he added.

Prof. Jayakumar, who is also law minister, was on his first overseas trip since he took over the portfolio in a cabinet reshuffle earlier this month.

He said that his visit was in line with the tradition for a newly appointed minister to call on his ASEAN counterpart and to establish personal rapport.

Prof. Jayakumar, who first met his Malaysian counterpart about 10 years ago, said that he attached great importance to personal ties as they formed a vital ingredient in establishing a good working relationship.

Datuk Abdullah has accepted an invitation from his Singapore counterpart to visit the republic later this year.

Other Malaysian leaders whom Prof. Jayakumar met were Law Minister Datuk Syed Hamid Albar and Deputy Home Affairs Minister Datuk Megat Junid Megat Ayub.

Brunei Navy Commander Meets Defense Officials

BK1801120294 Singapore Singapore Broadcasting Corporation in English 1100 GMT 18 Jan 94

[Text] The commander of the Royal Brunei Navy [RBN] is in Singapore on a goodwill visit. It is Colonel Kafi Razali's first official visit to Singapore since taking over as commander of RBN last June. This morning he called on Defense Minister Dr Yeo Ning Hong. He also met with the chief of Navy, Commodore Quek Siew Jin, and chief of Defense Force, Major-General Ng Jui Ping, at the Ministry of Defense. General [rank as heard] Kafi will be leaving Singapore tomorrow.

Cambodia

Thai Group, Regime Targeted in Demonstrations

BK2001151894 Hong Kong AFP in English 1053 GMT 20 Jan 94

[Excerpts] Phnom Penh, Jan 20 (AFP) - A bitter argument between Cambodian Finance Minister Sam Rangsi and a major Thai business group went public Thursday as some 1,000 students and businessmen demonstrated in support of the minister.

Local market vendors, students and other businessmen showed up in front of the parliament to denounce the Thai Bunrong business consortium for the exhorbitant rents it planned to charge for use of a recently completed shopping mall. [passage omitted]

Another group carried a banner proclaiming, "Students for Sam Rangsi," while others carried signs echoing the minister's recent call for "good investors to come" to Cambodia "and drive out the bad."

The minister had backed local business groups in their protest against the Thai group.

A representative of the Khmer Patriotic Youth Association said his group was at the gathering because the fight was not only for local interests, but also symbolic of defending national interests. [passage omitted]

Thai Bunrong group chairman Theng Bun-Ma had published an open letter in a local paper, which his group owns, accusing Sam Rangsi of being a "low grade individual," and addressing him as "the Minister of Destroying Economics and Finance." [passage omitted]

In his letter, Theng Bun-Ma further accused the minister of being ungracious, saying he should not criticise officials of the previous administration as he owed his presence in Cambodia to them. [passage omitted]

Separately, elsewhere in the capital, military police tried unsuccessfully to evict a group of over 20 soldiers and their families who were squatting on state land which has been rented out for development.

The heavily armed soldiers, loyal to the former military wings of the royalist FUNCINPEC [National United Front for an Indpendent, Neutral, Peaceful, and Cooperative Cambodia] party and the small Buddhist Liberal Democratic Party, threatened to defend themselves if they were forcibly evicted.

"We have fought for many years on the battlefield and we are not afraid of dying here," said one soldier, brandishing a M-16 assault rifle.

Police General Kong Saran, however, said the soldiers and their families had just arrived on the site Tuesday after having travelled from northwest Cambodia.

A government official said he suspected there was "a political background to the issue," adding that the squatters might be part of a deliberate attempt to highlight the problem of the sale of state property.

Sirivut Comments on Diplomacy, Business

BK2001101594 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 19 Jan 94

[Text] Prince Norodom Sirivut, deputy prime minister, has said that relations with Malaysia and Indonesia are vitally important since Cambodia never has any problems with those countries. Meeting with reporters, the prince said that the kingdom has received the credentials of ambassadors from 55 countries. Some are not residing in the country yet and have carried out their duties from various other cities, such as Bangkok and Beijing. Somehow, the diplomatic ties between our Cambodia and those countries have been reinforced and expanded.

The prince added: Our country is considering the possibility of establishing an embassy in Malaysia, since the good relations between the two countries have continued to improve. As for the ties with Thailand, they have progressed, but recently we have had some problems with the Thais. We still have border demarcation problems with Thailand and Vietnam. Among our neighbors, Laos is our best friend. For this reason, we have permitted the Lao to use the port in Sihanoukville while they have allowed us to use their airport in Vientiane. What we have done is in the interests of both countries.

The prince also said that the creation of a border committee proposed by Thailand represents the position of the Royal Government of Cambodia [RGC]. The only way to solve the border problems is to adopt the Cambodian map of the 1960s, which indicates that Cambodia has an area of (191,055) square kilometers. International observers should use the map to establish the borders and to draw up a report concerning the matter for their headquarters in New York.

Answering a question about the problem of illegal immigrants, the prince said the government has never persecuted immigrants, especially the Vietnamese. Rebutting a Vietnamese human rights group charge that the RGC has committed human rights violations, the prince said:

Instead we have ensured security for them (?for humanitarian reasons). He added that illegal immigrants do not consist of only Vietnamese but also Thais, Chinese, and other people coming from various regions, and that this issue will be completely settled after the National Assembly adopts an immigration law in the near future.

Commenting on the concerns of foreign investors, the prince said the RGC has no intention of revising contracts concluded previously. The RGC, however, will review those transactions. The prince also said: The issues concerning (?business deals) and a floating hotel have already been settled once and for all. We only want to legalize their businesses with appropriate contracts.

Ranariddh, Hun Sen See PRC President Jiang

BK2001052194 Phnom Penh AKP in English 0409 GMT 20 Jan 94

[Text] Phnom Penh AKP January 20—Co-Prime Ministers Prince Norodom Ranariddh and Hun Sen met in Beijing Tuesday [18 January] with Chinese President Jiang Zemin.

During talks, Jiang informed the Cambodian prime minsters of the ties of friendship and cooperation between the two countries and peoples and of the works of national construction being carried out in China.

Prince Norodom Ranariddh who is in Beijing for the first time together with Hun Sen since the formation of the new government in November last year expressed thanks to the Chinese government for its active contribution to the peace process and national reconciliation in Cambodia.

He also praised the Chinese president for his clear-sighted leadership in all-sided development, especially in the field of economy.

The meeting was held after wreath-laid ceremonies at the monument for memorial of fallen combatants and at the Mao Zedong mausoleum and after the visit of sewing and freezer-producing factories.

Report on Route 68 Operations, Pol Saroeun

BK2001040994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 19 Jan 94

[Excerpt] During the past few days, many Vietnamese puppet forces that the puppet ringleaders sent to attack the people and Democratic Kampuchea forces on Route 68 were killed or wounded. Almost all of the survivors, who were in total panic, deserted the battlefield.

Seeing that the first, second, and third groups of his assaulting forces were beaten and dispersed, Pol Saroeun, the Vietnamese puppets' general staff commander, ordered 500 soldiers from the Kompong Cham provincial unit to rescue their colleagues on Route 68. However, he could mobilize only 300 of them. However, nearly 100 of these forces fled while they were sent by truck to this area.

Between 15 and 18 January, these assaulting forces tried to launch an onslaught, but all their attempts were smashed by our mine attacks. Many of them were killed or wounded, and their trucks and armored personnel carriers were destroyed. All the wounded were in despair, waiting only for their dying day.

On 16 and 17 January, six trucks hit land mines and were shot at and destroyed in an area east of Samraong District. Fifty-six puppet soldiers were killed, 62 others were wounded, and 180 others deserted the battlefield. A major general from the engineering unit [name indistinct] and 12 colonels, majors, and captains were among those killed. [passage omitted]

Khmer Rouge: Offensive in Kampot Province Routed

BK1901030994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 18 Jan 94

[Text] Report on the crushing of the offensive launched by the Vietnamese enemy and its puppets in Kampot Province:

1. From 1 January, the enemy mobilized 2,000 troops from Kampot, Takeo, Kompong Speu, and Phnom Penh to launch an offensive against Democratic Kampuchea's liberated zone in Kampot Province.

In this offensive, the enemy divided its forces into four prongs—the first came from Route 4 heading toward (Ta Vek); the second moved from Vat Chak toward (Ta Kanh); the third moved from (?Chhuk) toward Leak and Kaoh Sla; while the fourth came along Route 16.

2. During the first stage of the battle which lasted from 1 to 5 January, the National Army of Democratic Kampuchea [NADK], guerrillas, and people's armed forces in Kampot Province used guerrilla and people's warfare tactics against the enemy especially all sorts of mines, punji stakes, booby traps, cross-bows, [words indistinct] and various types of guns. The enemy's offensive forces could neither advance nor retreat.

3. From 5 January, the NADK, guerrillas, and people in Kampot Province started their assault. They destroyed 12 large military trucks, two jeeps, 20 military motocycles, over 10 walkie-talkies, two 105-mm mortars, and 12 assorted cannons; seized 53 assorted pistols, 19 B-40's, seven machineguns, 15 crates of AK ammunition, 60 crates of B-40 and B-41 ammunition, and over 100 cannon shells.

Khmer Rouge: U.S. Finances Psychological Warfare

BK1901025594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 18 Jan 94

[Excerpts] There are reports saying that the two-heads-three-eyes government plans to send airplanes to distribute many signed leaflets over the battlefields around Tonle Sap lake and the northwest and northern parts of Cambodia under the control of Democratic Kampuchea.

The aim is to urge patriotic fighters to lay down their weapons and surrender.

This is psychological warfare against the Cambodian nation and people, national reconciliation, and the king's five-point proposal.

The alliance—the United States, Australia, and France—especially the United States and Australia are the financiers of this dirty psychological warfare. [passage omitted]

This kind of psychological warfare has been shamefully and successively exposed, and it will certainly face more serious failures because the people oppose it. [passage omitted]

Indonesia

National Firm Uses Iran as Export Gateway

BK2001040594 Jakarta KOMPAS in Indonesian 11 Jan 94 p 3

[Text] Jakarta, KOMPAS—PT Prima Comexindo Trading, a national trade services firm, is currently using Bandar Abbas in Iran as an important transit point for the shipment of its export commodities to the former Soviet republics. Greater efficiency and benefit is derived from utilizing the seaport in the Islamic Republic of Iran and by avoiding the maritime transportation route in the continuously troubled Ukaranian region.

In a statement to KOMPAS at the Sukarno-Hatta international airport on Saturday 8 January, Hashim Jojohadikusumo, President Director of PT Prima Comexindo Trading stated to KOMPAS that in future Bandar Abbas will become an important transit port for the shipment of Indonesian export commodities to the former Soviet republics.

According to him, the company shipped six containers loaded with consignments of Indonesian ready-made garments to Tashkent in October 1993. The consignments were found to be intact. Hashim said, "The consignments only proceeded to Tashkent after our careful study regarding the shipment of six containers through Bandar Abbas."

According to the report forwarded by his company representative based in Bandar Abbas, the transhipment of the consignment at the Iranian port was rapid, safe, and the storage charges are very competitive. He said, "That is the reason we decided to use the port as a transit point for the shipment of our commodities to the former Soviet republics."

It took only 47 days for the six containers to arrive in Tashkent. Hashim added that there are two benefits to be derived from using the new trade route. First, the competitively short period in shipping commodities to their destinations compared with the trade routes in West Europe and some others that were previously used by PT Prima Comexindo. Second, the journey of the commodities through Bandar Abbas is much safer by avoidng the continuously troubled Ukaranian region.

ABRI Chief on Sociopolitical Role

BK2001123294 Jakarta ANTARA in English 1019 GMT 20 Jan 94

[Excerpts] Jakarta, Jan 20 (ANTARA)—Chief of the Indonesian Armed Forces (ABRI) General Feisal Tanjung said that ABRI's socio-political role will in future become more rather than less conspicuous as the challenges to be faced by the nation will be concerned with socio-political problems. [passage omitted]

In this context, the general referred to the message of President Suharto on the occasion of ABRI's 48th anniversary that ABRI's role was expected to remain as stabilizer and dynamiser of the nation's development. [passage omitted]

Armed Forces Spokesman Announces Transfers

BK2001092894 Jakarta ANTARA in English 0901 GMT 20 Jan 94

[Text] Jakarta, Jan 20 (ANTARA)—Head of information service of Indonesian Armed Forces (ABRI) Brigadier General Syarwan Hamid here on Thursday denied rumours saying that the ABRI commander-in-chief will be replaced early this year.

"It was untrue. There would be no such replacement," he told the press after the transfer of the post of ABRI's social and political affairs chief of staff from Lieutenant General Hariyoto P.S. to Major General R. Hartono.

He said that he has lately been questioned whether the ABRI chief would be replaced.

"I should reiterate that there will be no such a replacement," he said.

ANTARA sources said that the possibility of the ABRI chief replacement was on stage following a speculation on the retirement of the ABRI chief by the end of this year.

On the occasion the ABRI spokesman revealed that the governor of the National Defense Institute (Lemhanas) will be held by Major General Muntojib, replacing Major General R. Hartono.

"Muntojib's post as ABRI's staff and command school (Sesko) director will be transferred to Major General Theo Syafei, who is now the Udayana regional military commander," he added.

He said that Brigadier General Adang Ruchiatna will take the post to be left by Major General Theo Syafei.

Minister Signs Trade Accord with Egyptian

BK1901085394 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 19 Jan 94

[Text] On behalf of their countries, Indonesian Trade Minister Satrio Budiharjo Yudono and Egyptian Minister of International Cooperation Yusuf Butrus-Ghali signed a trade agreement in Jakarta today. After the signing ceremony, Minister Satrio Budiharjo said the agreement is aimed at boosting bilateral trade volume, currently at less than U.S. $200 million. The two countries also agreed to jointly market their products in Southeast Asia and the Middle East.

Butrus-Ghali said the outcome of the Indonesia-Egypt Economic Commission meeting will be a strong foundation for strengthening existing bilateral cooperation. He noted that bilateral economic cooperation will greatly benefit the two countries in the 21st century. The third session of the commission, which ended today, also produced agreements on tourism, investment, and the avoidance of double taxation.

State Oil Company Offers Fields for Exploration

BK2001095094 Jakarta ANTARA in English 0840 GMT 20 Jan 94

[Text] Jakarta, Jan 20 (ANTARA)—State-owned oil company Pertamina is offering twelve new oil fields to domestic and foreign investors wishing to invest in this upstream industry in 1994 on a production-sharing [contract] (PSC) basis, the company's president director, Faisal Abda'u, said.

Accompanied by some members of the company's board of directors, Abda'u told the press here Wednesday that aside from the twelve new oil fields, eighteen other oil fields were still open to exploration.

Two of the new oil fields, Abda'u said, were on-shore fields in Bengara and Kisaran, East Kalimantan.

Two others, he went on, were off-shore/on-shore fields, namely one in Muna, South-East Sulawesi and the other in Pagatan, South Kalimantan.

The remaining eight oil fields, he added, were off-shore fields, namely Java Sea I, off-shore Lampung and Pangkah in the Java Sea, Asahan in North Sumatera, Sebawang in East Kalimantan, Wowoni in South-East Sulawesi and Tamuloi as well as Sebakor, both in Irian Jaya.

In the meantime, G.A.S. Nayoan, Pertamina's director of exploration and production, said that as the new PSC exploration fields were outside the areas included in 1993 oil/gas incentive package scheme Pertamina had recently introduced, the split effected would not change.

In addition, he said, Pertamina was also offering to investors 28 old oil wells under the technical assistance contract (TAC) scheme, whereby old oil wells already given up by old contractors would be reactivated through a process known as enhanced oil recovery (EOR) so that the remaining oil deposits could be tapped.

He also disclosed that 1:9 oil companies, 50 of them national private companies, had been put on Pertamina's mailing list for 1994 oil exploration activities, under either a PSC or EOR basis.

On the occasion, Nayoan also said that the policy of opening up new oil fields was, in fact, related to efforts to intensify exploration and drilling activities because in 1993 only 111 out of the targeted 207 oil wells had been drilled.

He said that the failure in reaching the drilling target was attributable to stiffer competition to attract oil investors, declining profits owing to a drop in the oil price and preference on the part of oil/gas industry to invest in the downstream industry rather than in the upstream industry because of much-discussed environmental matters.

"As we are greatly concerned about this fact, our policy in exploration and production in 1994 is focused on intensifying drilling activities," He explained, adding that in this context the government's recent incentive package to be applied to Indonesia's eastern regions and other frontier areas in the country's western regions was expected to spur exploration and drilling activities.

Laos

Khamtai Speech on Army Day Thanks SRV

BK2001110194 Vientiane Vitthayou Hengsat Radio Network in Lao 0137 GMT 20 Jan 94

[Speech by Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee and prime minister of the Lao People's Democratic Republic, delivered at a mass rally held at the National Assembly Hall in Vientiane to mark the 45th founding anniversary of the Lao People's Army—live]

[Excerpts] [passage omitted] Beloved comrades and friends, 45 years ago on 20 January 1949, in response to the aspirations and the call of our national liberation cause, the Latsavong unit was established under the direct leadership and command of beloved and respected President Kaysone Phomvihan. That date was the day of the merging of all scattered armed units set up in all regions throughout the country into the Lao Itsala Army. The event marked a major stage of growth and development for the revolution. [passage omitted]

On the occasion of the historic founding anniversary of the LPA, we would like to express our overwhelming affection and gratitude toward the beloved and respected President Kaysone Phomvihan for having organized, educated, maintained, and provided leadership to our Army, thus enabling it to grow stronger and bigger, into the state it is in now.

Beloved comrades and friends, looking back over the past 45 years, we can assume that the historic achievements and victories of our Armed Forces have been accomplished thanks to the correct and clear-sighted leadership of the LPRP. The party has consistently organized, guided, and educated our Army. Our party has creatively charted an overall military course for our Army in conformity with the conditions in each period. It has adopted a correct fighting strategy and a wise policy for the Army. It has skillfully employed and combined various effective forms of fighting together. Our party knows how to further enhance all potentials in the country and to closely combine them with the strength of the epoch. It has established a combat alliance with the fraternal Vietnamese Army and people and has solicited support and assistance from many friends and progressive forces throughout the world, thus winning glorious victories for our revolution. [passage omitted]

In recognition of the great achievements and virtues of our Armed Forces, the party and state have decided to confer the National Gold Order, which is the most honorable medal of our nation, on the LPA for the second time on the occasion of its 45th founding anniversary. [Applause] [passage omitted]

On the occasion of the anniversary of this historic day, once again, on behalf of the party and state as well as the Lao Armed Forces and people, I would like to express our profound gratitude to all friendly and fraternal countries for rendering effective and great assistance to the Lao Armed Forces and people and actively contributing to their national liberation struggle [in the past] and the tasks of national defense and development at present. [Applause]

The multiethnic Lao people will always remember and are grateful to the Vietnamese cadres, volunteer combatants, and specialists and other internationalist combatants for making sacrifices to the Lao revolution. The virtuous deeds of these comrades will be recorded in the annals of the Lao nation forever. [Applause]

Comrades and friends, our nation is firmly marching forward toward its destination by carrying out comprehensive restructuring. On the path of our advancement, we are blessed with numerous opportunities and favorable conditions. Nonetheless, we have also encountered numerous difficulties and trials. At present, even though a trend toward peace, stability, cooperation, and development is emerging, the situation still remains complicated and confused.

Under these circumstances, our party and government must continue adhering to and pursuing a foreign policy of peace, independence, friendship, and cooperation, aimed at maintaining and further developing normal relations with all countries throughout the world—and with neighboring countries first—on the basis of respect for each other's independence, sovereignty, and territorial integrity, noninterference in each other's internal affairs, equality, mutual benefits, and peaceful coexistence. We will continue, together with other peoples of the world, making contributions to the cause of peace and development.

To create favorable conditions for national development, we must make and concentrate all efforts on safeguarding our national security, stability, and tranquility. This is the duty which must be firmly grasped and entered into by everyone with a sense of responsibility. First of all, all party and administrative committees, organizations and services from the center down to all localities must increase their sense of responsibility toward the tasks of national defense and public security maintenance work, linking them with all spheres of work and closely associating them with the socioeconomic development of our country. At the same time, we must pay attention to assisting and building the Armed Forces into a more powerful and effective force for defending and preserving forever the revolutionary fruits reaped with great sacrifices by our people.

The party and command committees at all levels must make efforts to educate and train cadres and combatants in the Armed Forces to continue multiplying and increasing the glorious traditions of the LPA and our nation and enhance the tradition of patriotism and their faith toward the country and party; to actively study and firmly grasp the party's restructuring policy and the state's policies and laws and to act as a model in implementing them; and to heighten a sense of vigilance and to stand ready to thwart all sinister designs of the enemies, thereby securely safeguarding the country's independence, sovereignty, and territorial integrity and firmly ensuring its stability and tranquility. Efforts must be made to consolidate and strengthen the Armed Forces by raising their quality as a primary objective so as to gradually make them into a well- organized, strong, and modern revolutionary army.

In the immediate future, efforts must be made to raise the level of their capabilities in leading, commanding, and maintaining combat preparedness; to encourage them to engage in studies to raise the level of their culture and specialized knowledge; to engage in training in both the tactical and strategic fields; to increase unity between cadres and combatants; to constantly improve the relations between the Armed Forces and people; to closely look after the party; to heighten a sense of self-dependence and self-building; and to act as a model in working diligently and living frugally. At the same time, we must enhance their actual roles and capabilities in making contributions to the socioeconomic development of the country, for example in the agricultural field, in building the economic and cultural infrastructure, and in providing public services. [passage omitted]

Castro Sends Condolences for Phoumi Death

BK2001120394 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Jan 94

[Telegram of condolences from Comrade Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee, president of the Council of State, and president of the Council of Ministers of the Republic of Cuba, to Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister of the Lao People's Democratic Republic [LPDR]; and Comrade Nouhak Phoumsavan, president of the LPDR, on the demise of Comrade Phoumi Vongvichit, adviser to the LPRP Central Committee—date not given]

[Text] Beloved comrades: We are extremely saddened to be informed of the passing away of Comrade Phoumi Vongvichit. During the revolutionary movement, he established an unforgettably fine model practice in the history of the struggle of the courageous people. From that period, he devoted himself to the tasks against colonialism and imperialism for the sake of national independence. Comrade Phoumi Vongvichit always honestly adhered to his ideal of patriotism and [word indistinct]. This was shown during the highly responsible performance of his duties throughout the period when a new life for Laos was being created and the party and state were being built, as well as in other activities. The passing away of Comrade Phoumi Vongvichit means the Lao People's Revolutionary Party has lost an honest and virtuous senior citizen. It is also the loss of an intimate friend for the communists and people of Cuba. However, we are confident that the comrades who participated in the past struggles with him and the determined and courageous Lao people will carry on his tasks, to which he devoted himself throughout his life.

Through the comrades, we convey our deepest sorrow to the Party Central Committee, the government, and the people of Laos, as well as to his relatives and family.

Philippines

Talks With NDF Groups, ABB Threats Reported

Government May Meet 'Revisionists'

BK2101103994 Quezon City MALAYA in English 18 Jan 94 p 3

[By Joy Gruta]

[Text] The government peace panel is willing to negotiate with the "revisionist faction" of the National Democratic Front if its talks with Netherlands-based NDF [National Democratic Front] leadership collapse, Ambassador Howard Dee, head of the panel, said yesterday.

Dee said the government peace panel is considering "other options" if the talks with NDF Jose Maria Sison and Luis Jalandoni failed.

"If the exploratory talks will not take place in the first quarter, we have to consider other options like opening up to the revisionist faction in the communist movement," Dee said.

Dee made the statement two days after the Alex Boncayao Brigade (ABB) released the names of some 345 persons marked for liquidation for their alleged involvement in various crimes.

He said the threatened new wave of assassination by the ABB hit squad will not affect the peace negotiations between the government and the NDF.

Dee said the ABB's threat to liquidate corrupt officials in the government, including police and military officials, will not directly affect the stalled talks with the NDF. He noted that the hit squad had already broken off from the mainstream communist movement.

Talks With Anti-Sison Factions

BK2001084794 Quezon City MALAYA in English 15 Jan 94 p 2

[By Chit Estella]

[Excerpts] Justice Secretary Franklin Drilon yesterday urged the government to start considering the possibility of opening talks with rebel groups opposed to Jose Ma. Sison.

Drilon made this suggestion amid the continued failure of the government and the National Democratic Front [NDF] panels to make any headway in the peace efforts.

"The government has bent over backwards for too long," he said. [passage omitted]

Drilon said the NDF, or the group identified with Sison, be given until the end of January to conduct exploratory talks with the government. After that, the government should start talking with locally-based rebels opposed to Sison, he said.

Drilon said it does not matter if the anti-Sison faction does not completely control the New People's Army [NPA]. Making peace with one faction is better than having no agreement with anyone at all, he said.

"We should prepare to talk with at least a faction," he said. [passage omitted]

Drilon, who was a member of the National Unification Commission, recalled that when the agency was still existing, it received word that local rebels opposed to Sison wanted to have separate representation.

"We got very clear signals that it is alright for the government to hold exploratory talks with Sison et al, but when it comes to formal negotiations, they would want to be represented," the justice secretary said.

He added that even some members of the CPP hierarchy want to conduct talks with the government. "There was a report that a certain point, certain NDF leaders in the Philippines were disappointed because of the perception that we are talking only with Joma [Jose Ma. Sison]," he said. [sentence as published]

The government is currently communicating officially with NDF Vice Chairman Luis Jalandoni who heads the NDF panel.

ABB Threats Not To Affect Talks

BK2101090394 Manila MANILA STANDARD in English 18 Jan 94 p 3

[By Romie Evangelista]

[Excerpts] The chief government peace negotiator with the local communist movement said yesterday the communist New People's Army's (NPA) Alex Boncayao Brigade's (ABB) threat to resume terrorist operations in the country will not derail the peace talks.

Howard Dee, former ambassador to the Vatican and chief of the government panel holding preliminary talks with the National Democratic Front (NDF) said the planned peace talks will continue despite the ABB threat.

The ABB over the weekend threatened to assassinate criminals and corrupt government, police and military officers allegedly involved or members of crime syndicates.

According to Dee, the ABB, which belongs to the CPP [Communist Party of the Philippines] breakaway group Manila-Rizal Regional Party Committee, had already declared autonomy from the Netherlands- based NDF leadership headed by Jose Maria Sison.

He however hinted that the government is ready to talk with the "revisionist faction [breakaway groups]" of the local communist movement should the talks with the Sison faction of the NDF collapse.

The ABB threat "will not affect the peace talks in itself but it could be a subject that will come out in the course of the peace talks," Dee said. [passage omitted]

Dee said the exploratory talks in Vietnam, should they push through, will only lay the grounds for the formal talks.

He said the exploratory talks in Vietnam are expected to take place within the first quarter of the year while the formal talks are expected to last for about three to six months.

"If the exploratory talks will not take place in the first quarter, we have to consider other options like opening up to the revisionist faction in the communist movement," Dee said.

Ramos Amnesties Rebels, Responds to ABB Threat

BK2101080194 Manila MANILA BULLETIN in English 18 Jan 94 pp 1, 6

[By Fred M. Lobo]

[Excerpts] President Ramos granted amnesty yesterday to 1,080 rebel returnees on recommendation of the National Reconciliation and Development Council (NRDC) to enable the former rebels to rejoin society and lead normal lives.

Interior and Local Government Secretary Rafael Alunan III, also NRDC chairman, said that the 1,080 rebel returnees were the first of 4,000 applicants to be given presidential amnesty. [passage omitted]

The grant of amnesty to the rebel returnees was made pursuant to Proclamation 10 and 10A which allow amnesty to those whose applications were filed, processed or were undergoing processing before 31 December 1992. [passage omitted]

In his regular press conference yesterday, Ramos also said that concerned agencies have been alerted on the threat of the Alex Boncayao Brigade (ABB) to punish some government, police, and military officials and persons whom they tagged as involved in illegal drugs, illegal gambling, prostitution, and graft and corruption.

In a press conference last week, a spokesman of the Alex Boncayao Brigade released a list of 345 persons, including police and military generals and businessmen, whom they accused of various criminal and immoral activities and were asked to "reform." [passage omitted]

"We alerted the PNP [Philippine National Police], DILG [Department of Interior and Local Government], and the DOJ [Department of Justice] to look into this," Ramos said.

Ramos added that the threats may have "some intended propaganda effects but just the same, we are looking at it very seriously."

At the same time, the president said that the government will continue to run after criminal elements in the country. [passage omitted]

Military Rebels Losing Confidence in Peace Talks

BK2101113794 Manila MANILA STANDARD in English 16 Jan 94 p 2

[By Romie A. Evangelista]

[Excerpts] Cashiered Army Col. Gregorio "Gringo" Honasan, leader of the Rebolusyonaryong Alyansang Makabansa (RAM) [Revolutionary Nationalist Alliance] said yesterday his group was "getting discouraged and losing confidence" with the way government peace negotiators are handling the peace talks with military rebels.

He stressed, however, that RAM would not abandon its hope to reach a peace accord with the government, and that they will wait for another six months for the government to act concretely on the issue. [passage omitted]

"We are beginning to be discouraged but we are not discarding the peace process. Even if they don't know what to do with the peace process, we are not going to give up," Honasan said.

"Mukhang wala na namang plano ang pamahalaan ... mukhang nagbobolahan na naman. Gusto naming malaman kung ano talaga ang gusto nilang mangyari sa peace process," [It seems that the government has no plans ... looks like it is back to deception. We want to know what they really want to happen with the peace process] he added. [passage omitted]

"One year na kaming nag-uusap ... pero ang narating lang namin procedures ... saan gagawin ... sino ang magho-host ng merienda. Tapos, napapagbintangan kami na kami pa raw ang nagpapabagal pero lahat naiprisinta na namin," [We have been talking for one year ... but what we have achieved are only procedures ... where to hold ... who will take charge of the snacks. Afterwhich, we are blamed for delaying the talks when we have already presented everything] he explained.

He said they have already given five talking points with the government but it remained enacted upon. [sentence as published] His request for provision of bodyguards for protection, was approved in principle by President Ramos but this also remained unheeded.

"MNLF [Moro National Liberation Front] Chairman Nur Misuari moves around in Mindanao with many armed bodyguards. Pero kami na nangunguna, kami pa ang hindi bigyan ng ganuong konsiderasyon," [But we who talked peace with the government ahead of the MNLF are not given such consideration] Honasan said.

Asked by the STANDARD if they have a time frame within which they would seek other options concerning the peace talks, Honasan said: "Siguro ibig naming tingnan 'yung kalagitnaan ng taong ito para mabasa natin kung babagal ito at kung may pinanggagalingan ang katapatan nila." [I think we will just watch at the middle of this year to determine if the peace process slows down and if they are really sincere.]

What options they would make in case the peace talks fail? He said: Kung hihinto? Hindi ... ayaw naming isipin 'yon. Kapag huminto ito ay mas grabe ang mangyayari." [If it stops? No ... we do not want to think about it. If this stops, the worse will happen.]

RAM-YOU (Young Officers Union) leader Capt. Emil Ong said there are many issues that have to be discussed in the peace talks that are being ignored.

Ong, who was with Honasan at UST, declined to give the exact number of RAM forces at present but said only 20 percent of the entire RAM forces had been mobilized during the December 1989 coup attempt.

Honasan laments the fact that some of his men are still in jail despite a preliminary agreement reached last 20 December 1992 that all detained RAM men will be released from detention.

Multilateral Approach Urged in Spratly Dispute

BK2001084994 Quezon City MALAYA in English 16 Jan 94 p 2

[By Butch Franco]

[Text] Multilateral cooperation among members of the Association of Southeast Asian Nations (ASEAN) claiming the Spratly Islands is needed in solving the dispute over the oil-rich islands as part of confidence-building measures in Asia, an association of nongovernment organizations within ASEAN said yesterday.

In a press conference, the ASEAN-Institute of Strategic and International Studies [ASEAN-ISIS], noted the importance of the role of China, a non-ASEAN member which, together with Taiwan, Vietnam, Brunei, Malaysia and the Philippines, is claiming wholly or in part the Spratlys in the South China Sea.

The claimant-countries agreed in July 1992 to restrain from the use of arms in the disputed territories.

The ASEAN-ISIS said it will recommend this to the ASEAN regional forum in Bangkok this July.

The forum may also be participated in by the United States, Canada, Japan, South Korea, Australia, New Zealand, and the European Union.

Jusuf Wanandi, chairman of Indonesia's Center for Strategic and International Studies, said the ASEAN-ISIS had in the past advised countries concerned against arms buildup in order not to create misunderstanding and misgivings among themselves.

"For that reason we now propose that our security cooperation should be increased among ASEAN," Wanandi said noting that confidence-building must stem from existing bilateral and multilateral agreements.

Wanandi said ASEAN must not be alarmed over China's reported arms buildup, and instead get it to engage more in tension-reducing and confidence-building measures.

He said in the overlapping claims on Spratlys, China's role is very important. "We have to get her more engaged in other types of approaches to find the solution because she is central to the issue, as you all know."

Kusuma Snitwongse, director of Thailand's Institute of Security and International Studies, also said Southeast Asia must engage China in a "cooperative manner" since it is no match to China.

The ASEAN-ISIS, on its second day of a four-day conference at the Edsa Shangri-La Hotel said ASEAN forums should encourage China to have a stake in the continued prosperity of the area following reports that China is no longer interested in a peaceful settlement of Spratlys disputes.

Carolina Hernandez, president of the Institute for Strategic and Development Studies at the University of the Philippines, said China must not be directly confronted regarding the Spratlys issue.

"China is very interested in the stability of the region and is willing to undertake tension-reducing and confidence-building measures," Hernandez said.

Ople Urges ASEAN Defense Cooperation

BK2001104694 Manila MANILA BULLETIN in English 17 Jan 94 pp 1, 8

[By Olaf S. Giron]

[Text] Sen. Blas Ople, chairman of the Senate foreign relations committee, urged the Association of Southeast Asian Nations (ASEAN) yesterday to anticipate potential vacuums in the region and forge a new solidarity in defense cooperation.

Ople discussed the major strategic challenges in both foreign policy and security fields that ASEAN has to face at the threshold of a new century when he keynoted a two-day symposium of the region's leading centers of strategic and international studies, the ASEAN Institute of Strategic and International Studies (ISIS) at the Shangri-La EDSA Hotel in Mandaluyong.

Dean Carolina Hernandez, director of the Center of Strategic and International Studies (CSIS), led the meeting, which brought together an intellectual powerhouse from ASEAN countries, including Lau Teik Soon, director of the Singapore Institute for International Affairs; Yusuf Wanandi and Dr. Hadi Soesastro of the CSIS in Jakarta; Dr. Kusuma Snitwongse, of the Thailand Institute of Security and International Studies; and, Dato Dr. Noordin Sopiee, of the ISIS in Kuala Lumpur.

At the close of the meeting, the chairmanship of the ASEAN-ISIS passed on from the Philippines' Hernandez to Dr. Lau of Singapore.

Ople said that while ASEAN welcomes the appearance of a new tranquility brought about by the end of the Cold War in Asia and the Pacific, there is no room for complacency because dangerous new vacuums can immediately arise without prior notice and confront the ASEAN with major threats to its security.

"Our six nations ought to be able to envision new conceptual frameworks and a common strategic vision for our collective security," Ople said. "The formation of the ASEAN Regional Forum is an important first step taken by the leaders of ASEAN in that direction."

Ople said Japan and China, although they have opened their own bilateral security dialogues, will contest any vacuum that arises in the region or exploit any change or shift in the regional and global balance of power.

He said that in spite of the assurances by the United States that its commitment to the security of Asia and the Pacific remained undiminished, "there is a sense in which the defense retrenchments of the United States, involving a reduction of its military spending from six percent down to three and a half percent of gross national product in the next five years, can no longer be reversed."

He said while the Pentagon has set a military bottom-line of fighting two wars in separate continents at the same time, the American people and their leaders now accept the limitations of "an imperial overstretch" which saps the resources required for domestic economic and social rebuilding.

He said that in spite of the tension in the Korean peninsula, the unsettled conditions in Cambodia, and the potential border troubles in the South China Sea, the security environment for Southeast Asia has never been better, widening "our respective windows of opportunity to engage in sustained economic development unhampered by external security threats."

Ople said it is a tribute to ASEAN statesmanship that the grouping has helped contain the potential disruptions of the peace and stability in the South China Sea through creative diplomacy.

Official: Country More Able To Pay Foreign Debt

BK2001085194 Manila MANILA BULLETIN in English 15 Jan 94 p B-1

[By Fil C. Sionil]

[Text] The Philippines' foreign debt stock hit $34.1 billion as of end-September 1993, up by more than 10 percent from $30.9 billion in 1992.

Bangko Sentral ng Pilipinas (BSP) [Central Bank of the Philippines] Governor Gabriel Singson assured, however, that the $3.2 billion expansion of government's foreign liabilities should cause no alarm because of the improvement in the country's "ability to pay."

The bigger debt stock was caused by the continued appreciation of the Japanese yen against the U.S. dollar, in which the bulk of the country's foreign indebtedness is denominated.

The debt pile-up was also brought about by the additional availments of loans from multilateral creditors.

"Some critics are quick to point out that the foreign debt has continued to expand. Indeed, it has grown... but the country's ability to pay has been more than enhanced," Singson told members of the Philippine Association of Finance Companies, Inc.

To prove his point, Singson cited the country's lower debt service ratio or debt service payments as a proportion of exports of goods and services as below the 19 percent compared to a high of more than 20 percent the previous years.

He pointed out this debt service ratio was "well within internationally accepted norms" as pointed by the World Bank.

In fact, the country's debt service ratio is significantly "better" than the ratios of Latin American and the neighboring countries such as Argentina at 35 percent, Brazil at 24 percent, Indonesia at 32 percent, and Mexico at 44 percent.

Also, in his speech, Singson reiterated plans to bring down further the level of reserve requirements on bank's deposits and deposit liabilities.

He pointed out that the "progressive easing of reserve requirements augured well for the financial market."

Mindanao Leaders Sign Peace Resolutions

BK2001084194 Quezon City MALAYA in English 16 Jan 94 pp 1, 3

[By Ellen Tordesillas]

[Text] Mindanao leaders signed yesterday two resolutions in Malacanang to further peace in the region.

The first resolution expressed their support for the peace talks between the government and the Moro National Liberation Front (MNLF); the second recommended the establishment of a consultative mechanism between the peace panels and the Mindanao community.

Present in the meeting held Friday afternoon were Defense Secretary Renato de Villa; Interior Secretary Rafael Alunan III; Presidential Assistant for Mindanao Paul Dominguez; Lieutenant. General Thelmo Cunanan, Southern Command commander; Governor Liningding Pangandaman of the Autonomous Region of Muslim Mindanao; Davao City Mayor Rodrigo Duterte; and Representatives Maria Clara Lobregat (Laban [Party], Zamboanga) and Nur Jaafar (Lakas [Party], Tawi-tawi).

The meeting assessed the peace and order situation in Mindanao in the wake of the bombings perpetrated by radical groups, the current peace talks between the government and the MNLF, and the progress of the East-Asian Growth Area.

President Ramos told the meeting he was determined to reach a pact with MNLF rebels "in a just and honorable way without bloodshed." The president, however, stood pat on the government's position disallowing MNLF Chairman Nur Misuari from being escorted by 500 armed bodyguards when he entered Cotabato City for the signing of the cease fire agreement.

The signing of the cease fire agreement scheduled 11 January was postponed due to the MNLF's demand to provide Misuari with armed escorts.

Thailand

Kroekkrai on Financial Market Liberalization

BK2101024994 Bangkok THE NATION in English 21 Jan 94 p B14

[Excerpts] Kroekkrai Chiraphaet, director-general of the Department of Business Economics, said the post-Uruguay Round liberalization of Thailand's financial sector will be based on bilateral negotiations—not multilateral talks as is generally understood.

"Anybody who thinks that the negotiations must be conducted at the multilateral level is day dreaming," he said. [passage omitted]

Yet it appeared that Finance Minister Tharin Nimmanhemin took the stand that Thailand would only use multilateral forums in its attempt to reach agreement on the liberalization of financial services within the context of the General Agreement on Tariffs and Trade.

Tharin did tell Bentsen, however during talks at the Government House on Tuesday, that Thailand would be considering plans to allow foreign banks to operate ATM [automatic teller machine] services, to allow foreign firms to own up to 49 per cent of securities firms once they had split off their finance operations, and to allow offshore banks to expand their presence upcountry.

Bentsen was apparently happy with the Thai proposal and indicated that talks on financial services could be put back on track in the GATT forum. [passage omitted]

But Kroekkrai said in the post-Uruguay Round it is impossible to negotiate multilaterally on these issues because that would involve talks with 117 countries in varying states of fiscal maturity.

"Suppose we want to open up financial services talks with Laos, we have to bilaterally negotiate with that country. It is impossible to agree to anything in broad terms which cannot be grasped in concrete terms. Whoever thinks like this is daydreaming," he said.

MR Chatumongkon Sonakun, director-general of the Revenue Department, said following completion of talks on financial services, Thailand will have to make drastic adjustments in its tax procedures to cope with the complicated business transactions of foreign financial institutions.

"Offshore banking under the BIBF [Bangkok International Banking Facility] has already given us a good headache. The Revenue Department will have to improve our system. We have to be ready," he said.

Commerce Minister Supports EAEC

BK2001021594 Bangkok BANGKOK POST in English 20 Jan 94 p 19

[Text] Commerce Minister Uthai Phimchaichon insisted yesterday that Thailand supports the Malaysian-promoted East Asia Economic Caucus (EAEC) because the organisation will improve cooperation in the region.

Mr Uthai earlier met Malaysia's International Trade and Industry Minister, Dato' Seri Rafidah Aziz.

He said Dato' Rafidah wanted him to make clear the Thai Government's view on the EAEC. He told her he supported the move because it was a good concept. However, it was merely an initiative with no action taken yet.

At the weekend, officials who asked not to be identified said that Thailand was still not enthusiastic about the EAEC.

Mr Uthai said he stressed with Dato' Rafidah that the most important aspect was to strengthen the Association of Southeast Asian Nations (ASEAN) to increase the group's bargaining power in international forums such as the Asia Pacific Economic Cooperation (APEC) group.

Under current understandings, the EAEC would comprise East Asian members of APEC and not the United States, Canada, Mexico or Chile. In November, senior ASEAN secretariat officials said their initial exploratory talks with potential members received a warm response.

Mr Uthai said Dato' Rafidah asked him whether Thailand would participate in the first meeting of APEC in Hawaii on March 18 and 19 because she believed the United States would force smaller countries to open up their financial markets further.

Mr Uthai said he told Dato' Rafidah that he could not speak on behalf of the Thai finance minister but he thought that Thailand would have a clearer position after Tharin Nimmanhemin met the US Treasury Secretary Lloyd Bentsen.

Dato' Rafidah said the ASEAN secretary-general had visited countries which would be founders of the EAEC, such as Japan, South Korea, Taiwan and Hong Kong. Results would soon be reported to ASEAN economic ministers.

She said the private sector would benefit from the loose consultative forum.

The arrangement would benefit the private sector in finance, industry and even by linking the stock markets.

Dato' Rafidah said the private sector should realise the marketing possibilities as the EAEC would include Japan, South Korea, Taiwan, China, Indochina and all of ASEAN.

Burma Rebel Peace Talks Venue Request Rejected

BK2101023794 Bangkok THE NATION in English 21 Jan 94 p A5

[Excerpts] FOREIGN Minister Prasong Sunsiri yesterday said Thailand would not consider the Burmese ethnic minorities' request to use Thailand as a venue for peace talks with the Rangoon ruling military junta.

"But if the (Burmese) government itself asked for that, we will consider it," Prasong told reporters. [passage omitted]

Prasong also refused to make a direct comment on a recent report that Rangoon might release opposition leader Aung San Suu Kyi in July this year. The minister however said that only the Burmese government, aware of how the world community views the situation in Burma, would know what it should do. [passage omitted]

The junta's powerful secretary Lt Gen Khin Nyunt said the legitimate period of Suu Kyi's house arrest would expire in July. Burma's law limits the period of house arrest to a maximum of five years. [passage omitted]

Danish Aid Cut, Pressure Sought on Burma

PM2101132094 Copenhagen BERLINGSKE TIDENDE in Danish 18 Jan 94 p 4

[Louise Fleischer report: "Too Rich for Development Aid"]

[Excerpts] Bangkok—The Thais have become too rich to receive Danish development aid. Consequently Denmark will gradually cease aid.

So said Foreign Minister Niels Helveg Petersen (Radical Liberal Party) yesterday after a meeting with Thai Foreign Minister Prasong Sunsiri in Bangkok. This means that Thailand will become the first developing country ever to cease to qualify for Danish aid because its economy is too well developed.

"But I have stressed that the country can receive other forms of aid. For example, soft loans and credits for noncommercial purposes," Helveg Petersen said.

Thailand will also be able to take $25 million from Denmark's environment and catastrophe fund as compensation for the loss of aid. [passage omitted]

During the talks the foreign minister also touched on Thailand's relations with neighboring Burma.

"I stressed that every opportunity must be taken to put pressure on the Burmese Government, and that I believe that Thailand must continue to grant residence permits to Burmese refugees," the foreign minister said.

Vietnam

Reportage on Midterm Conference

Conference Opens

BK2001060594 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 20 Jan 94

[Excerpt] This morning the Mid-Term National Conference of the Communist Party of Vietnam [CPV] was solemnly opened at the Ba Dinh Conference Hall in Hanoi.

In attendance were Central Committee advisers Pham Van Dong, Nguyen Van Linh, and Vo Chi Cong; 10 former CPV Central Committee Political Bureau members, and 647 delegates [number of delegates as heard].

Prior to the conference, delegates paid a tribute to President Ho Chi Minh at his mausoleum.

The opening session began at 0900. After the band played the national anthem and the Internationale, Comrade Vo Van Kiet, member of the CPV Central Committee Political Bureau invited General Secretary Do Muoi to open the conference and to deliver the Seventh Party Central Committee's political report. [passage omitted]

New Politburo Members Elected

BK1901150994 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Jan 94

[Text] The Office of the party Central Committee has just made public a communique indicating that to carry on the work of the party Central Committee's Sixth Plenum, the Communist Party of Vietnam [CPV] Central Committee convened a two-day session from 17-18 January 1994 to make the final preparations for the Mid-Term National Party Conference.

The delegates discussed a number of issues relating to personnel organization and the draft statute and draft action program for submission to the Mid-Term National Party Conference. They elected addititional members of the Political Bureau. These include Comrade Le Kha Phieu, Comrade Nguyen Manh Cam, Comrade Do Quang Thang, and Comrade Nguyen Ha Phan.

The delegates also considered the case involving Comrade Vu Ngoc Hai and decided to remove him from his position as member of the party Central Committe because of his serious mistakes.

Comrade General Secretary Do Muoi concluded the session by evaluating the results achieved. He pointed out the great unanimity of mind of the party Central Committee regarding those issues to be submitted to the Mid-Term National Party Conference.

Ha Dang News Conference

BK2001073394 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 19 Jan 94

[Passages in boldface recorded]

[Text] The Ideology and Culture Department of the Communist Party of Vietnam [CPV] Central Committee held an international news conference in Hanoi on 19 January to announce the purpose of the mid-term national party conference.

The conference, presided over by Comrade Ha Dang, head of the department, was attended by a large number of foreign correspondents.

Also present were Deputy Foreign Minister Le Mai and the deputy head of the CPV Central Committee's Foreign Relations Department, Pham Van Chuong.

Comrade Ha Dang said: This is the first time that a mid-term conference of the Central Committee has been held. The conference is not an exception, as it is organized in accordance with Article 15 of the party statutes passed at the seventh party congress. Apart from other important tasks, the conference will hold a by-election to choose a number of Central Committee members. The number of candidates to be elected in this by-election, as stipulated in the party statutes, must not exceed 10 percent of the total Central Committee members elected at the seventh party congress.

A XINHUA correspondent asked what will be the standards for new members elected?

Ha Dang said: There are four major standards: Candidates must have good political acumen, working ability, and ethical integrity, and they must also be relatively young—less than 55 years of age. He went on:

[Ha Dang] **That is the principle for selection. But there will be some amount of flexibility.**

A BANGKOK POST correspondent asked: Mr. Department Head, one of the tasks for the period ahead—as outlined in the political report to be presented at the mid-term party conference—is to renovate and rectify the party and strengthen the relationship between the party and the people. What will the CPV do to attract the participation of the younger generation, as the majority of youths has never been through war?

[Ha Dang] **Our party has been associated closely with the people since its founding. This relationship has originated from the fact that all tasks set forth by the party as well as its interests conform to the demands of the nation, for example, fighting for national independence and building**

socialism to bring about a beautiful life for the people. While implementing these tasks, we have scored countless achievements. Besides these achievements, there are shortcomings. To remain closely attached to the people, it is our immediate duty to unfailingly develop achievements and overcome shortcomings and deficiences. I would like to tell you that the majority of our party members is young.

An Australian Television correspondent asked if there would be any Central Committee plenums following this mid-term conference. Also, if the shortcomings to be raised will involve corruption and will have anything to do with the party.

[Ha Dang] **There will be no Central Committee plenums held [immediately] after the mid-term national party conference. With regard to personnel changes in the Political Bureau, as you know, nothing will be changed, except for the replenishment of a number of members. The party will never change its name. This is because our party and people love the name of the Communist Party. As for the question of corruption, we regard this as a harmful practice. We will resolutely struggle to overcome and eliminate the harmful practice of corruption. Whatever their positions, corrupt officials must be punished in accordance with their offenses.**

[Correspondent] **I am a REUTER correspondent. Mr. Ha Dang, will the events in East Europe and the former Soviet Union cause the CPV to revise its diplomatic and political policies?**

[Ha Dang] **We are firm on Marxism-Leninism and Ho Chi Minh thought. We will continue to firmly maintain our course of development along the socialist path. All these things do not contradict our efforts to broaden our international relations and cooperation with many countries, international organizations, and different economic forces. It is the purpose of our renovation process to ensure successful national construction and defense.** [passage omitted]

Article Reviews Agenda

BK2001091794 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 19 Jan 94

["Article" by Station Correspondent Tran Thien Nhien: "Seventh Party Congress' Feelings at Mid-Term "]

[Text] Not long ago, a saying spread around fully describing the fine image of the first path of our party renovation undertaking. Based on the meanings of the Roman numbers, it predicted that, after the Sixth Party Congress, life would be happy. This folk saying fully reflects the people's dream and absolute belief in the success of the renovation undertaking initiated and lead by our party. That belief is the foundation for our political stabilization; and political stabilization is a prerequisite for socioeconomic stabilization and development.

By the end of 1993, we had covered exactly half the term of the Seventh Party Congress. What can be said about the work?

In retrospect, we remember that at the middle of the year we used to readjust our planning so as to lower our targets. This was in order to allow us to achieve something by the end of the year. Now, difficulties, obstacles, and dangers still exist. But in only three years, we have accomplished many jobs planned for five years. Is this not a fine characteristic of the new stage?

On hearing that the world hailed our government's good economic management, an economist made a nice but hardly surprising statement: The cutting down of the inflation rate from 57.6 percent to 4 percent within a period of three years is not an easy job for any country. He also added: As an insider, sometimes we cannot fully realize the significance of our work. However, outsiders can see more clearly when they compare our achievement with the real situation in the world.

As a matter of fact, five years ago nobody in the world thought that Vietnam would survive when the USSR and European socialist countries collapsed. Nobody thought that Vietnam's poor, backward agriculture, permeated with continuous natural disasters, would become the world's third biggest rice exporter. Nobody foresaw that the 500-kilovolt National Transmission Line—which foreign specialists said that would only appear in Vietnam after the year 2000—would come into existence and start operating in the early second quarter of this year. Somebody said that if wage reform is applied when the economy is still in crisis, chaos will follow and inflation will increase. That prediction has been totally discredited by the real situation of 1993. These fine things have happened against the background of many changes in the world. Should we not be proud of ourselves?

Life is like a difficult mathematical problem. When we do not try to solve it, we think it impossible to solve; but when we start doing it, especially when we have completed one calculation, the possibility of solving the problem will appear clearer, giving us more confidence and energy to finish it. Another interesting thing is that not only mathematicians understand this.

As the economist has stated, it is certain that it was not diplomatic politeness which directed the world's two monetary organizations to appraise Vietnam as the best economically managed country in Asia for 1992. It is also not coincidental that the Donors' Conference in Paris was so successful. And recently, the Paris Credit Club of 11 developed countries, including the United States, decided to reduce Vietnam's debts by 50 percent and grant Vietnam extra time to repay its debts—in 23 years' time.

We highly evaluate, treasure, and appreciate the support of the world community for our national construction undertaking. We also clearly realize and correctly evaluate our achievements. Nobody is fool enough to pour money into a bottomless pit. Nobody wants to deposit one dong to recover just one dong. And nobody wants to invest in a country with a chaotic political situation, where different parties and groups are fighting for more power in parliament rather than striving to improve the national economy.

The economic development and political stabilization in our country in the past years have helped us to create this opportunity. They also prove the correctness of an important concept in our party renovation line for national construction: that is, accumulations must be obtained mainly from our internal economy. External factors are very important, but internal ones are more significant in creating an economic impact.

We must strive to develop our economy while step by step improving our people's daily life, strengthening national defense, ensuring political security, and maintaining stability in order to further develop. We must also strive to open our door so as to promote relations with foreign countries and to learn from their experiences while consistently defending our national independence and sovereignty, and formulating correct lines and policies in conformity with our country's conditions and our people's aspirations. These are the great tasks that we must satisfactorily carry out.

With this as a reality, His Excellency Lee Kuan Yew, a renowned strategic development planner in Singapore, recently spoke to Western newsmen about Vietnam's current development, saying that the matter does not depend on the one party or multiparty system but rather on the leadership's ability to develop the national economy.

It is not too much of an exaggeration to say that one of the Vietnamese people's significant contributions to mankind's development in the post Cold War period is that differences in ideology and political systems are simply not the cause of hostility and an uncooperative atmosphere among nations.

Today Vietnam is a socialist country that enjoys relations with 167 countries in the world. Whether we choose to adopt a conservative or progressive stand, we are ready to join the international community while maintaining our own political system.

Thus far, we have completed the first half of the Seventh Party National Congress' term. The remaining second half is very promising, yet with immense obstables. The new era will also bring new difficulties and ordeals. While we are seeking investment capital for development, we must strive to map out plans to use this capital in the most effective way. In the past, we strove to extricate our country from encirclement and isolation; now we are striving to open our door while maintaining our national characteristics. In the past, we strove to attain a firm economic foothold; we are now working hard to maintain our economic growth. In the past, we also experienced corruption and smuggling. These and other social vices are now developing and becoming serious while laws and discipline are loosely observed. In the past we worked hard to produce enough grain for our own consumption; we now talk about how to sell more rice at higher prices and how to narrow the gap between peasants in the rural and mountain regions and people in the city; how to eliminate the division between the rich and the poor caused by the market economy; how to firmly maintain the ideal objectives charted by our party and state; and how to cope with hostilities carried out by reactionaries at home and abroad. However, these difficulties and ordeals cannot be resolved overnight.

It is necessary to say that while there are changes for the better in society, our infrastructures are still poor and backward. More than two million city dwellers are unemployed; more than 200,000 prostitutes have not been reeducated; 70,000 drug addicts have not been cured; AIDS is increasing; and so forth.

We cannot belittle this situation in our country, but we must stay calm while finding ways and means to step by step resolve these issues with confidence. This is the correct attitude for coping with difficulties.

In the upcoming Vietnamese Lunar New Year, people in Hanoi and Haiphong as well as the Vietnamese community in Moscow will have the chance to enjoy Tam San rice fragrant rice, the renowned traditional rice of Nam Ha province, packed in beautiful plastic bags—the new product of the Hanoi Export-Import Corporation Union, which will be put on sale at home and abroad during the New Year. The corporation director said that if we want to compete in the world rice market, we must plant and sell our traditional good quality rice such as the Tam San and Nep Tam San [fragrant sticky rice] and so forth, which were not promoted in the recent past. To restore the planting of these varieties of rice, we must find the markets and invest money to produce seeds, zone off planting areas, restore the traditional method of cultivation, and improve processing and management in accordance with modern technological systems so as to attain the highest economic result.

There are currently new things in our society. However, in daily life we sometime need the old things. If we can restore the old things we need with the application of modern technology, we will obtain a better result.

Do Muoi Delivers Political Report, Part One

BK2001150994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 20 Jan 94

["Part One" of the Communist Party of Vietnam Seventh Central Committee's political report delivered by General Secretary Do Muoi at the opening of the Mid-Term National Party Conference at the Ba Dinh Conference Hall in Hanoi on 20 January—read by announcer]

[Text] Dear comrade advisers to the party Central Committee, comrade delegates, and comrades: On behalf of the party Central Committee, I would like to present the committee's political report to the National Party Conference.

The sixth party congress set forth the renovation policy and created a turning point in the cause of socialist construction in our country. The seventh party congress evaluated the results of five years of carrying out the renovation process according to the socioeconomic development platform and strategy. It also put forth the orientations and measures for conducting the renovation process in a far-reaching and uniform manner.

The international situation has developed quickly and become complicated since the seventh party congress. The socialist regimes in the former Soviet Union and Eastern Europe have collapsed. The independence and sovereignty of a number of countries have been challenged by policies based on power and imposition. The hostile forces are stepping up their activities in a bid to undermine our people's cause of national construction and defense. Once again, our revolutionary undertaking is facing harsh challenges.

The international situation presents new opportunities, however. The strength and determination to struggle for national independence and sovereignty have been consolidated. The trends of cooperation and development have prevailed in the world community. The revolutionary forces have learned valuable lessons from their temporary setbacks. The success of our country's renovation policy has further consolidated our people's strength and position, thus creating the conditions for us to overcome difficulties and take advantage of good opportunities to serve the cause of national construction.

Faced with new challenges and opportunities, our party and people have adopted a firm political stance. The resolutions of the party Central Committee's Second, Third, Fourth, and Fifth Plenums have concretized and further developed the line set forth by the seventh party congress, resolving a series of practical problems on the domestic and diplomatic fronts based on actual international developments and real-life situations. We have persisted in the renovation undertaking, accelerated socioeconomic development, broadened the process of democratization, firmly maintained political stability, consolidated our national defense and security capabilities, diversified our diplomatic activities, and gradually overcome the impact of blockade and embargo.

The National Party Conference has the duty to assess the implementation of the seventh party congress resolution and evaluate the actual results of the renovation undertaking since the sixth party congress. The objectives of this are to clarify further a number of issues relating to the process of socialist construction in our country and define major policies and measures to implement the seventh party congress resolution successfully and lead the revolutionary undertaking in our country forward.

Part One: The situation concerning the implementation of the seventh party congress resolution.

I. Achievements

1. The great achievement of primary importance is the fact that we have succeeded in overcoming the socioeconomic crisis to a very important extent.

The crisis began in the late 1970's and early 1980's. It lasted for many consecutive years and became most serious from 1986-88, with inflation at a gallop. Another menace occurred in 1991. Thanks, however, to the great efforts of our party, state, and people, our national economy not only held fast but recorded outstanding achievements and overcame sluggishness and recession. The economic growth rate has remained very high and steady for the past three years.

Inflation was cut from 67 percent in 1991 to 17.5 percent in 1992, and then to 5.2 percent in 1993. The GDP shows an average annual increase of 7.2 percent, compared with the 1991-95 target of 5.5 to 6 percent.

Agricultural production has developed in a relatively comprehensive manner. The food grain issue has been resolved satisfactorily. The output of food grain in 1993 amounted to nearly 25 million tons, thus exceeding the target for 1995.

Industrial production is growing at an average annual rate of 13 percent, higher than the 8 to 10 percent target set in the five-year plan for 1991-95.

The productivity of a number of important sectors and products—such as electricity, crude oil, steel, and cement—has increased. The communications and liaison system has expanded rapidly through the use of new equipment and technology.

Many sectors—such as building, transport, trade, travel, and other services—have developed. The economy is undergoing structural changes. A number of production and business sectors have emerged.

Foreign economic relations have expanded, becoming more diversified and multilateral. We have overcome the results of the unexpected drop in trade with our traditional market, broadened our trade exchanges with newer trading partners, and increased our annual export volume by nearly 20 percent.

By the end of 1993, some 836 foreign investment projects had been licensed, with a registered capital of $7.5 billion. We have begun to attract more development aid and preferential capital loans from various governments, and have normalized relations with international financial and monetary institutions.

The economy has achieved some initial capital accumulation. Although this is still small, a broad section of the population has seen their lives improve. A multisector economic system is taking shape. State firms are beginning to be rearranged and re-registered. State firms with long histories of operational losses have been reduced in large numbers, while the number of state firms with effective operations has increased.

Generally speaking, the state-run economic sector is continuing to develop. It controls key fields of activity and is playing an essential role in the national economy. The state-run economic sector's share of the GDP increased from 34 percent in 1990 to 39.9 percent in 1992.

Agricultural cooperatives have developed much clearer orientations for renovation since the party Central Committee's fifth plenum. The autonomous role of peasant households has been affirmed. A number of new formats for economic cooperation have emerged. The Land Act officially gave peasants the right to the long-term and stable use of the land. This has helped the peasant household-based economy gain momentum in development. Individual economies and private capitalist economies have developed remarkably. Share-holding and partnership enterprises, which are attracting capital investment from various forms of ownership, have emerged in increasingly large numbers.

The market system, which is under state management along socialist lines, is becoming a driving mechanism in the economy.

The amendment of laws and the continued renovation of various systems and policies on planning, pricing, the exchange rate, finance, banking, labor, wages, and the land have created a more favorable environment for various firms to develop dynamism, self- motivation, and a sense of self-responsibility in production and business. The state has accumulated more experience and made progress in the macromanagement of the national economy.

In parallel with economic development, the resolution of various social issues and the implementation of various social welfare policies have been given more attention.

Thanks to an increase in production and services, market prices have become relatively stable and the lives of people in various urban and rural areas have been improved. The number of rich households has increased while the number of needy households—especially the number of underfed households—has been reduced. The people's basic need for food and clothing has been met in a more satisfactory way.

The construction of houses, roads, electrical facilities, and health establishments has developed in various rural and urban areas.

Democratic rights—especially economic democracy—have developed gradually. The people are free to work according to the law. They feel more secure about putting their money into production and business, thus creating more jobs.

Various policies—such as the policy of tackling unemployment; the policy of eliminating hunger and poverty; the policy toward war invalids, families of fallen heroes, and people who have performed meritorious deeds for the revolution; the policy of providing assistance to disabled, helpless, and homeless people; and the policy of helping needy students return to school—have been carried out satisfactorily.

Educational activities have made some progress in fighting degradation, diversifying various educational formats, rearranging the school network, consolidating the system of specialized schools and selective classes, and building general education schools for ethnic minority students. The popularization of education has begun to develop satisfactorily. Vocational training and the study of foreign languages and computer technology have developed in various cities.

Science and technology have started to develop as a driving force. Scientific and technological studies have been linked with social requirements. Many research and application projects—especially in agriculture, fisheries, consumer goods, and export goods—have developed their practical value. They have helped to increase economic results and improve technological knowledge.

The system of state-level scientific study programs has become more centralized, and for the first time has included programs on social science and the humanities.

Cultural activities have become more lively. Cultural exchanges with foreign countries have been expanded. Literary and artistic works have become more copious in terms of content and theme, and more diversified in terms of form, category, and means of expression.

The information system has made new steps in development with the expansion of radio and television transmission coverage to various districts throughout the country, including a number of mountain and high-altitude areas and distant offshore islands.

Health care activities for the improvement of the people's health have shown great progress in various fields, such as preliminary health care, expanded immunizations, and the control of epidemics and social diseases. Requirements for essential medicine have been partially met. Physical education and sports has achieved encouraging results.

Work on population and family planning has been carried out correctly, leading to an increase in the number of people voluntarily registering for the birth control program.

2. The second important achievement is the continuation of political maintenance and consolidation. Because of our success in many areas of renovation—especially the socioeconomic achievements, the party's skillful leadership, and the political awareness of the country's people and soldiers—we have survived the recent international political shock. The party's leadership role has been strengthened, the state's management efficiency has been heightened, democracy has been broadened, and national defense and security have been guaranteed. The people's confidence in the party, state, and renovation

undertaking has increased and public movements for socioeconomic improvement have developed.

After the seventh national party congress, our party—especially the party Central Committee, the Political Bureau, and the Secretariat—accelerated party building work, considering this to be a duty of crucial importance to the entire revolutionary cause in our country and to our party. The third party plenum confirmed that economic development is the central duty and party building is the fundamental duty. It clarified conceptions on party building work when the party is a ruling party, and defined principles for the party's organization and activities. It outlined the duties for consolidating the unity and unification of the entire party. It renovated and strengthened logical and ideological work and consolidated the party organization system.

After more than a year of party building work, we have improved and heightened our knowledge and responsibility toward party committees and party members. We have rearranged the party organization system and reestablished cadre committees to oversee party committees and youth unions in state organs and mass organizations. The function and role of grassroots party organizations, together with their working procedures and personnel management regulations, have been established. Party principles—especially the principle of democratic centralism for the restoration of order and principles—have been executed. Party management and work attitudes have been revamped in a more democratic, collective, and appropriate manner to ensure close and efficient party leadership and expand the positive role of state organs and mass organizations.

We have concentrated more on training and admitting new party members. In 1992, admission of new members increased by 39 percent over 1991. In 1993, it increased by 30.7 percent over 1992.

The party has continuously renovated its thinking and paid more attention to logical and ideological work. It has clarified concepts and principles for guiding the renovation cause and has gained more leadership experience. Party cadre have become more mature and active, and have gradually grown accustomed to leadership and management work in the renovation undertaking.

Our social democracy has made significant strides over the past two years, together with the construction of a law-governed state of the people, by the people, and for the people. The most prominent event was the promulgation of the 1992 Constitution. That helped to institutionalize rapidly the party's line on national construction along socialist lines. The implementation of constitutional stipulations in the fields of politics, the economy, culture, education, industry, security and national defense, and the citizen's fundamental rights and obligations—together with the introduction of many new legal documents and regulations—have further accelerated the democratization process in our social activities.

The Fatherland Front and mass organizations have diversified their activities to broaden the national great unity block, motivate the public to carry out its political duties, accelerate social activities, provide good care for the people, and protect their interests.

Mass motivation work has been given more attention by party committees at different levels. Coordination between state organs and the fatherland fronts and mass organizations has been strengthened more than ever in motivating the public to take part in law-building work; the planning of national policy; the formation of local authorities; and the implementation of the policies relating to the socioeconomy, security, and national defense.

The armed forces, together with the public, have made many efforts to accelerate the renovation cause in the areas of national defense and security, and in developing their own strengths. They have executed their duty to protect the socialist fatherland; guarantee political stabilization; and safeguard national independence, sovereignty, and integrity in a satisfactory manner.

We have successfully implemented the great strategic adjustment in national defense, reduction in military personnel, and the strengthening of the universal defense system. We have built regional defense networks in provinces and cities, adjusted the strategy for national security protection, revamped our military activities in the new situation, gained better knowledge regarding the current situation, and become more efficient in fighting the activities of hostile forces.

VNA on Do Muoi Report

BK2101084194 Hanoi VNA in English 0658 GMT 21 Jan 94

[Excerpts] [passage omitted] 'Inflation has been pushed back, from 67 per cent in 1991 down to 17.5 per cent in 1992 and only 5.2 per cent in 1993. [passage omitted]

'The external economic relations have been broadened in the line of diversification and multilaterization. We have overcome the consequences of the sudden [words missing] of our traditional market, widened the interflow with new partners, and increased the export value by roughly 20 per cent annually. Up to the end of 1993, we have granted 836 licences for direct foreign investment with a total registered capital of 7.5 billion USD recorded initial successes in attracting more development assistance and loans on preferential terms from governments and reestablished normal relations with international financial and monetary institutions.

'The economy has started to yield internal accumulations, albeit small. The life of the majority of the population has been improved.

'A multi-sector economic structure is taking shape. Initial steps have been taken to re-arrange and re-register state enterprises. The number of long-time loss-making enterprises has been largely reduced. The number of efficient business units has increased. In general, the state economic sector has kept developing and continues to hold key areas and a leading role in the national economy its share in GDP has grown from 34 per cent in 1990 to 39.9 per cent in 1992. Since the 5th plenum of the Central Committee, the agricultural cooperatives have got a more clearly defined orientation for renewal the autonomous role of the peasant households has been confirmed. New forms of the cooperative aconomy have appeared. Wuth the land law formally granting peasants the right to use land has got additional development motive. The individual economy on a stable and durable basis, the peasant household economy and private capitalist economy have developed considerably. There have emerged a growing number of stock holding enterprises and joint ventures with investments from various forms of ownership.

'The market mechanism under management by the state and with socialist orientation is becoming the operational mechanism of the economy. The amendment of laws and the continous renewal of the mechanism and policies related to planning, pricing, exchange rates, finance, banking, labour, remuneration, land..., have created a more favourable environment for the enterprises to bring into full play their dynamism, autonomy and self-responsibility in production and business.

'The state has accumulated more experience, and made progress in the macro-management and administration of the national economy...

'The second most important achievement is that we have maintained and consolidated political stability.

'Thanks to the many-sided achievements of renewal, especially socio-economic achievements, thanks to the firm leadership of the party and the political awareness of the people and armed forces throughout the country, we have surmounted the recent political upheaval in the world. The party's leading role has been consolidated, the state's management effeciveness has been heightened, democracy has been broadened, national defence and security have been secured, the people's confidence in the party, the state and the renewal process has been strengthened, and the mass movement in certain economic and social fields has been some development...

'The third achievement is that our external relations have been expanded, our country's prestige in the world has been heightened, and a favourable international environment has been created for our efforts in national construction and defence.

'The 7th congress defined the task related to our foreign policy which is to maintain peace, broaden relations of friendship and cooperation, create favourable international conditions for national construction and defence, while actively contributing to the common struggle of the world people for peace, national independence, democracy and social progress. The congress emphasized the open character of our foreign policy: 'Vietnam wishes to be a friend of all nations in the world community, endeavouring for peace, independence and development.'

'In the face of the new developments of the world and regional situation after the 7th congress, the third plenum of the central committee concretized and developed that line. We have taken the initiative and actively expanded our external activities, and have recorded very important results.

'We have restored normal relations with the People's Republic of China and initially developed relations of friendship and cooperation with it, 'strengthened and consolidated our relationship of special solidarity with the Lao People's Democratic Republic, signed and strictly implemented the Paris Agreement on Cambodia, and established friendly neighbour relations with the Kingdom of Cambodia.

'We have improved and opened a new stage in our relations of cooperation and friendship with ASEAN vountries and with ASEAN as an organization and expanded our relations with other countries in Asia and the Pacific.

'We have preserved and developed our traditional relations with Cuba, India and the Democratic People's Republic of Korea.

'We have maintained and promoted our existing relations of cooperation with the Russian Federation, other countries of the former Soviet Union, and Eastern European countries.

'We have accorded continuous support to the just cause of the peoples of Palestine, other Arab nations and South Africa, broadened our relations with developing countries in Asia, Africa and Latin America and contributed actively to the consolidation of the Non- Aligned Movement and the promotion of its role in the new situation.

'We have improved our relations with countries of Western Europe, Northern Europe and the European Economic Community, with Japan, Canada, Australia, New Zealand and newly industrialized countries. We have restored normal relations with international financial and monetary organizations. The process of struggle to get the United States lift the embargo and normalize relations with Vietnam has made certain progress'.

On weaknesses and and newly emerging issues, the report says:

'The ecomomy retains the character of a backward agricultural economy. Industries remain minor and infrastructure facilities, underdeveloped. Not much has been achieved in the construction of the material and technical basis. Accumulation from within the economy and develophent investments are still limited and not given adequate attention. Although the economy has known a fairly high growth rate, productivity, quality and efficiency remain very low. Not much production capacity has been added up as a reserve force to be utilized in the time to come, leaving negative effects on the growth tempo of the coming years.

'... Certain achievements have been recorded in the cultural and social fields, but here, many major and urgent problems remain unsolved.

'Total or partial unemployment in both urban and rural areas, especially among young people coming of labour age, remains aburning question and one of the basic causes of social evils.

'The policies related to social equity have not been properly implemented. Beside people who get rich by lawful means, there are not a few who have got rich quickly through illicit businesses. Meanwhile, many families who made great sacrifices and suffered great losses duging the wars of resistance, or who rendered great services to the motherland, are still beleaguered with difficulties. The number of persons living in poverty and food shortage is still high. The people's living standards are still very low in many areas, especially on the highlands, in out-of-the-way places, and localities inhabited by ethnic minorities...

'In the political situation, there remain many complicated factors not to be slighted.

'The party and state agencies and offices are not yet really pure and steady. Political security is still indequate and social order yet to be secured'...

Part ii on the main tasks for the coming period, the report points out:

'Our people are faced with acute challenges as well as great opportunities.

'The challenges are: the danger of our economy falling further behind other countries in the region and the world due to our low starting point, our still low and unstable growth rate and to the fact that we have to develop in an environment of tough competition the possibility of our going astray from the socialist orientation if we fail to correct errors in the conduct of the implementation and our failure to repel corruption and other social evils the scheme and acts of 'peaceful evolution' by hostile forces.

'However, we also have many fundamental advantages: our party has set out a correct line, is of one mind and united our people are diligent, intelligent and patriotic, possessed of a firm character and a staunch revolutionary will, and confident in the party leadership, the armed forces are absolutely loyal to our party's and people's revolutionary cause, our successes in the cause of renewal are giving the country a new posture and strength to more forward the development of the scientific and technological revolution and the tendency toward broad cooperation for development in the world and the region are providing us with possible additional resources of importance...[as received]

Following are the main tasks:

'To encourage the economic restructuring along the line of industrialization and modernization...

'To consistently effect policies for the development of a multisector economy, create more motivations and favourable environment for the economic sectors and businesses of all forms to make fast development and achieve high efficiency...

'To build synchronously the market mechanism under state management and with socialist orientation...

'To care for cultural and social matters: the guiding idea threading through the party and state decisions and policies in the cultural and social fields is to care for, foster and promote the human factor as both motive and objective of the revolution. Outstanding problems in this work now are employment, social justice, improvement of the people's intellectual level, making the society wholesome and preserving and promoting the national cultural identity...

...'Fighting against corruption is a burning and pressing problem at present. It must be carried out in a resolved and thorough manner throughout the apparatus at all levels and in all branches from the centre to the grassroots...

...'To ensure national defence and security.

'To continve broademisg external relations'.

We will broaden relations of friendship and cooperation with other countries on the principles of equality, mutual benefit, peaceful co-esistence, respect for each other's independence, sovereignty and territorial integrity, settling disputes by negotiations, and maintaining stability, security and development...

'To build a law-governed Vietnamese state of the people, by the people and for the people... And...'To renew and streamline the party, consolidate the relationship between the party and the people...'.

Le Duc Anh Receives Iranian Minister.

BK1901152394 Hanoi VNA in English 1505 GMT 19 Jan 94

[Text] Hanoi VNA Jan. 19—President Le Duc Anh today received Mr. Issa Kalantari, minister of agriculture of the Islamic Republic of Iran who is here for a visit to Vietnam.

During the reception, Mr. Isa Kalantari expressed his pleasure at his first visit to Vietnam and his sincere thanks for President Le Duc Anh's reception. He also conveyed the Iranian President Rafsanjani's best regards to President Le Duc Anh and invited him to pay a visit to Iran. He introduced to President Le Duc Anh the Iranian people's achievements in their economic restoration and national reconstruction and appreciated the cooperation between the two countries in the fields of economy, especially agriculture, agricultural products exchanges, sciences, technology and training experts. He also expressed his wishes for the above-said cooperation to further expand and develop in various fields.

For his part, President Le Duc Anh welcomed Mr. Isa Kalantari's Vietnam visit and expressed his pleasure at the achievements recorded by the Iranian people. On behalf of the Vietnamese people President Le Duc Anh thanked the Iranian Government and people for their support and assistance to the cause of Vietnam's former national liberation and current national construction. He noted that Vietnam's foreign policy is to be friends with all countries in order to expand the cooperation in the interest of each country, for peace, stability and development in the region and in the world. He believed that the Iran-Vietnam cooperation in the fields of economy, agriculture and trade will be constantly expanded and developed. President asked Mr. Kalantari conveyed his best regards and wishes to President Rafsanjani and thanked him for his invitation to visit Iran and wished the Iranian people prosperous and happy [sentence as received].

Nong Duc Manh Receives Minister

BK1901155794 Hanoi VNA in English 1457 GMT 19 Jan 94

[Text] Hanoi VNA Jan 19—Nong Duc Manh, politburo member of the C.C. [Central Committee] of Vietnam Communist Party and chairman of the National Assembly received here today Prof. Dr. I. Kalantari, minister of agriculture of Iran who is on a visit to Vietnam.

Chairman Nong Duc Manh and Minister I. Kalantari exchanged views on organization and activities of the two national assemblies of Vietnam and Iran.

Minister Kalantari informed Chairman Manh of the results of his visit to Vietnam and conveyed the Iranian Parliament president's invitation to the latter to visit Iran.

For his part, Chairman Manh expressed his wish for a new stage of development of the time-honoured traditional relationship between the Vietnamese and Iranian peoples.

He accepted the invitation with the pleasure and asked Minister I. Kalantari to convey his thanks to the president of Iranian Parliament.

Monk Said Sentenced to Three Years in Prison

BK2101121494 Hong Kong AFP in English 1148 GMT 21 Jan 94

[Text] Hanoi, Jan 21 (AFP)—Dissident Vietnamese monk Vo Hanh Duc has been sentenced to three years prison for having disturbed public order last year, the Buddhist opposition in exile said Friday.

A tribunal in the southern province of Ba Ria-Vung Tau handed down the sentence earlier this month following his arrest last July, the exiled sources said.

The Unified Buddhist Church of Vietnam based in the Australian capital Canberra said in a statement received here that another monk Thien Tho was sentenced to 18 months house arrest.

Two other monks, Dong Hai and Dong Hy, were allowed to go free but remain under police watch, it said.

No official in Hanoi could confirm the report.

"The hearing was held in secret on January 5 in an army establishment," the statement from the exiles said. "The local press were barred."

Vo Hanh Duc, 48, and abbot of Son Linh pagoda since 1983, was arrested last July for having "conducted activities against the law" and "handing out documents hostile to the socialist government of Vietnam," according to the charges.

The abbot began a hunger strike several weeks ago while in prison and his health is deteriorating, the statement from the exiles said.

According to Buddhist sources, about 100 monks and their supporters were arrested during violent confrontations with security forces on July 9 when a crowd challenged the eviction of the abbot from his pagoda.

Most of those arrested were released recently, the sources said.

In other incidents, of four monks accused of provoking dissent last May in the central city of Hue, two were sentenced to four years jail and the other pair to three years.

Five civilians classed as agitators for joining an anti-government demonstration last May in Hue received sentences ranging from six months to two years.

Gold Miners Said To Wound 42 Troops

BK2001064894 Hong Kong AFP in English 0617 GMT 20 Jan 94

[Text] Hanoi, Jan 20 (AFP)—Hundreds of Vietnamese gold miners armed with knives, sickles and sticks badly wounded 42 soldiers when they attacked 80 troops guarding a gold mine near Hoa Hai village, according to reports Thursday.

The Saigon Newsreader quoted an official newspaper as saying the miners attacked the soldiers when they came to a river bank to receive a boat shipment of rice for a border patrol post on January 11.

Sixteen of the beaten soldiers were rushed to hospital, it said. The day before, armed miners attacked a truck carrying rice for soldiers.

The area in the Huong Khe district in the centre of Vietnam has been inundated with hundreds of people illegally seeking gold, it said, adding that authorities had been unable to restore order despite troop reinforcements.

BERNAMA News Agency Opens Hanoi Bureau

BK2101143194 Hanoi VNA in English 1422 GMT 21 Jan 94

[Text] Hanoi VNA Jan. 21—Malaysian National News Agency (BERNAMA) held a ceremony this evening to inaugurate its bureau here.

Among those present at the event were Vice Foreign Minister Le Mai, General Director of VIETNAM NEWS AGENCY Do Phuong, Editor-in-Chief of the daily NHAN DAN newspaper Huu Tho, General Director of Vietnam Television Ho Anh Dung and other Vietnamese officials. On the Malaysian side were Editor-in-Chief of BERNAMA Abdul Rahman Sulaiman and Ambassador to Vietnam Cheah Sam Kip.

Addressing the ceremony, Mr. Sulaiman thanked Vietnamese concerned offices for their assistance to BERNAMA to open its bureau in Hanoi, which, he said, constitutes an opportunity to contribute to the strengthening of mutual understanding between the two countries for the sake of peace, stability and development in the region.

In his turn, Vice Foreign Minister Le Mai noted that in recent years, the relations of friendship and cooperation between Vietnam and Malaysia had constantly developed. The opening of a BERNAMA bureau in Hanoi is a vivid manifestation of the said relations, he added. Mr Mai further said Vietnamese side would create favourable conditions for BERNAMA to perform its professional activities in order to further consolidate the fine relations between the two countries.

Doan Khue Greets Counterpart on LPA Anniversary

BK2001143394 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 19 Jan 94

[Text] On the occasion of 45th founding anniversary of the Lao People's Army [LPA] (20 January 1949-94), General Doan Khue, minister of National Defense, sent a greeting message to Senior Lieutenant General Choummali Sai-ngason, defense minister of the Lao People's Democratic Republic. The message reads:

Dear comrade minister; on the occasion of the 45th founding anniversary of the LPA, on behalf of all cadres and combatants of the Vietnam People's Army and on my behalf, I would like to convey to you, and through you to all the cadres and combatants of the fraternal LPA, my most sincere greetings of solidarity.

Throughout the last 45 years, under the leadership of the Lao People's Revolutionary Party [LPRP], the LPA and the multiethnic Lao people have bravely advanced through all difficulties and obstacles, continously defeated all the invading imperialists as well as the domestic reactionaries, achieved glorious victories, and restored independence and freedom to the fatherland.

After the complete liberation of the country, the Lao armed forces still went on to crush all the dark schemes and sabotage activities of the enemies. In the past 20 year, the Lao People's Democratic Republic have recorded important achievements in all areas of national security, politics, and external relations, and in the socioeconomic domain. Domestic stability is constantly improving, the country's status on the international stage is being heightened, thus contributing to the protection of peace and stability in Southeast Asia as well as in the world.

We are happy for your achievements, and strongly trust that the Lao people and the LPA will continue to record ever greater achievements, successfully implement the resolution of the Fifth Congress of the Lao People's Revolutionary Party, and build a peaceful, independent, unified, and prosperous Laos.

Also on this occasion, on behalf of the Vietnam People's Army, I would like to express my sincere gratitude to the LPRP, the government, the people, and the LPA, for the fine sentiments and valuable assistance they had given to the Vietnamese people and the people's army during the past revolution as well as in the present rennovation undertaking.

May the special friendly solidarity and the comprehensive cooperation between the two peoples and the two armies of Vietnam and Laos be evermore solidified and developed. I wish you, comrade minister, good health and happiness in your life, and more achievements in fulfilling your noble duties.

My solemn salute to you, dear comrade.

Party Reports 1993 Enrollment Figures

BK2001092794 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 20 Jan 94

[Text] Last year party development work was carried out fairly well nationwide. According to incomplete reports, party organizations admitted nearly 50,000 new members, 30 percent more than the 1992 figure.

Among the departments under the Central Committee, the Army party organizations had the most new members admitted. The number of young people joining the party who had been members of the Ho Chi Minh Communist Youth Federation was also significantly large, comprising about 50 percent of the total. The number of new members with high levels of education was also large, and the numbers of women and ethnic minorities also were higher than before.

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